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The Public Domain in its Economic Aspect-1785-1841

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THE PUBLIC DOMAIN IN ITS ECONOMIC ASPECT—1785-1841.

BY

ELMER JAY BROWN

B. S., Greenville College, 1908

THESIS

Submitted in Partial Fulfillment of the Requirements for the

Degree of

DOCTOR OF PHILOSOPHY

IN ECONOMICS

IN

THE GRADUATE SCHOOL

OF THE

UNIVERSITY OF ILLINOIS

1911

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THE GRADUATE SCHOOL

May 22, 1911 190

I HEREBY RECOMMEND THAT THE THESIS PREPARED UNDER MY SUPERVISION BY

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BE ACCEPTED AS FULFILLING THIS PART OF THE REQUIREMENTS FOR THE

DEGREE OF DOCTOR OF PHILOSOPHY

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PREFACE.

Few nations have had problems to solve similar to those which were presented to our government during its early history. Perhaps the chief characteristic which differentiated its history from that of European states was the vast tract of unoccupied land which it contained. The history of the acquisition and disposal of this domain and the various economic motives which influenced the land legislation forms one of the most important and interesting fields of economic study.

It is the purpose of the following pages to trace the influence of the economic conditions of the country upon the land legislation. Of course there were many other motives which influenced Congress in its disposal of the public lands, such for example as legislation for political reasons. Further, it is often impossible to separate the influence of conditions which led to legislation from the effects of earlier laws. Professor Callender in his Economic History of the United States says: "The relation of economic conditions to politics is at all times a double one. On the one hand it includes the effect which the government action has upon economic conditions, the results of its economic policy; and on the other, it includes the influence of economic conditions upon the government itself. It is not always easy to separate the two and not unfrequently one is mistaken for the other."[1] Yet a careful study of the various land laws reveals the fact that they were enacted as the direct or indirect result of economic conditions.

1 Callender, Economic History of the United States, p. 180.


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The study closes with the year 1841. That date was chosen as the end of the second great period of the land policy. In the first is treated the origin of the public domain, the influence of the desire for revenue upon the legislation, and the operation of the credit system. The second period begins with the abolition of the credit system in 1820 and ends with the Preemption Act of 1841. The great significance of both these periods lies in the increasing power of the West, and the consequent liberality of the land legislation. Two more periods might be added, a third ending with the Homestead Act of 1862 and a fourth dealing with the conservation movement.

The present study was begun when Sato's "History of the Land Question" was the only book dealing with the problem. Since then Payson J. Treat has published his scholarly work on the "National Land Systeem, 1785-1820." Unfortunately this covers a part of the work I had accomplished. Yet I trust that my efforts may not be altogether in vain, as I have treated the subject from a different view point.

I wish to take this opportunity to thank Professor E. L. Bogart of the University of Illinois, for directing my attention to the subject and for his suggestions and patient criticism of the work; also to acknowledge my indebtedness to the criticism of the Economic Seminar. Finally I wish to thank my mother for her help and sympathy, which have greatly aided me in the preparation of this study.

Elmer J. Brown.

University of Illinois,

May 6, 1911.

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CHAPTER I.

EARLY LAND LEGISLATION

Colonial Land Policy

The public land policy like other chapters of our institutional history, was not created by our forefathers, but was a matter of slow development whose origin lies deep rooted in colonial experience and precedent. Hence in order to understand the motives and reasons which influenced the land legislation it will be necessary to review briefly certain phases of the colonial history, especially the colonial and British land policy; to describe the growth of interest in the western lands, and the conditions which compelled the continental Congress to consider these lands as a source of revenue; and finally to show how these conditions led to the cession of the public lands and gave rise to the public domain.

Two distinct methods of disposing of the crown lands were employed in the colonies, one by free grants and the other through sale at a nominal rate. As a rule the former method was confined to the southern colonies, while the latter was employed in the New England region; yet the sale of land in time began to supersede the free grants in the proprietary colonies and in Virginia. The system of granting tracts of land was found to be an efficient means for attracting settlers to the colonies, and was used by them for that purpose. The plan was largely employed in Maryland where the grants made by Lord Baltimore were so generous that the entire province was divided among the settlers in a single generation (1633-1663). In 1765 one thousand acres of land were given to every person transporting five men to the province, while each immigrant was granted

one hundred acres of land for himself, wife, and each servant, and fifty acres for each child. The same liberal policy was followed in Virginia, Georgia, and South Carolina.[1] The system of direct sales was also used in many of the southern colonies.[2]

The methods used for locating and surveying these grants were very inexact. Titles to land were secured by grants from proprietors, by patents from land offices, and by right of settlement.[3] An entire county was frequently given to a single individual to divide and organize. In many cases no permanent records were kept of these grants, and loose methods in general prevailed. Land could be secured by the location of warrants on any part of the unoccupied land, and the surveys were made later. In South Carolina patents were issued before the land was surveyed, and in many cases the land office was closed for years at a time.[4] Every where squatters located on the best tracts of land with little respect to the lawful owner. Under conditions such as these it was impossible to prevent confusion and litigation due to over-lapping grants. Yet the very character of the land surfact and methods of agriculture in the south were opposed to a rigid system of surveys with exact records.[5] planters wished to secure a river frontage and the most fertile val-

1 Donaldson, The Public Domain, pp. 468-9; Franklin's Works, V:4; Hinsdale, The Old Northwest, p. 254.
2 Virgina granted lands at sixty cents per acre while land in North and South Carolina sold at from forty cents to one dollar. -See Donaldson, p. 467; Life of Cutler, I: 128.
3 Ballagh, The Southern Land System, Amer. Hist. Ass. Rept., 1897, p. 111.
4 Ibid;, pp. 116-118.; Roosevelt, The Winning of the West, III: 8.
5 The following description of a tract of land in Virginia illustrates the method used. It is a copy from the official records and describes the land as a "tract of land situated on the waters of Salt Lick Creek, the waters of the Chio, in the Colony of Virginia, containing five thousand one hundred and twenty acres." Accompanying this description there is a crude sketch of the situation. -See Donaldson, pp. 472-2.

ley land. This necessitated irregular boundaries, and in spite of its difficulties made the system of indiscriminate location very popular among the settlers.[1]

The system for the disposal of lands in the northern colonies was entirely different from that employed in the southern. It was not the policy of the British government to derive any considerable revenue from this source, yet it was the common practice to sell the lands at a low rate; the crown lands in the New England colonies selling at from sixty cents to one dollar an acre.[2]

The most essential difference between the northern and southern land systems is found in the method of survey and location. "Township planting" was the basis of the New England system. The waste land was surveyed into townships before settlement was allowed. The various subdivisions of the country were recorded, so that the possibility of over lapping claims was small.[3] The plan was unfavorable to the prospective purchaser, as he was often compelled to include undesirable tracts of land in his purchase, which were avoided under the southern system; yet it tended to prevent the diffusion of settlement which the system of indiscriminate location directly favored, and afforded the best protection against all possible dangers.

It is evident from this brief summary, that the chief distinction between the northern and southern systems consisted not so

1 Ballagh, The Southern Land System, Amer. Hist. Ass. Repts., 1898, pp. 122-3.
2 The Life and Journal of Cutler, I: 128; Donaldson, p. 467. In New York and New Jersey ranged from six pence to one dollar. Lands in Maine could be purchased for fity cents, in Pennsylvania for sixty cents and upwards an acre.
3 Col. Rec. Connecticut, VIII: 134. Quoted in American History, Ass. Rep. 1905, Vol. I: 235. Cutler, Life and Journals, I: 123.

much in the method of disposal, as in the system of location and records employed in the two regions. The idea of securing revenue from the sale of colonial lands, while not very prominent was recognized and practiced in nearly all the colonies. Hence it follows that the later introduction of this method into the first land legislation of the new government was not an innovation as claimed by some.[1]

British Land Policy

The colonial land system, however, did not effect the vast territory to the west of the Alleghanies. This was under the direct control of the Crown, and was disposed of irrespective of colonial precedent. On the whole the British policy was liberal, especially prior to the French and Indian War, and it was customary to encourage western settlement by grants of land. In 1748 a grant of 500,000 acres along the Chio River was made to John Hanbury and associates for the promotion of settlement and commerce. Several other grants followed. It was expected that the resulting settlement and population would increase the demand for English manufactures and secure the western fur trade. Besides these advantages it furnished a protection to the older settlements against attacks from the Indians, and provided cheap supplies for the western forts.[2] At the close of the French and Indian War, this policy of encouraging western immigration ceased and the Royal Proclamation of 1763 forbade all further settlement on western lands.[3] The nominal reason given for the measure was the necessity

1 Hinsdale, Old Northwest, p. 254, says, in speaking of the idea of revenue, "It was almost distinctively a new idea --- It is difficult to understand how the idea become current."
2 Franklin's Works, V: 1-80. "Settlement on the Chio."
3 Ibid., V: 33.

of stopping the encroachments of the settlers and the consequent trouble with the Indians. There seems to be some doubt as to whether this was the real cause or whether it was an attempt on the part of England to stop the flow of western immigration, and destroy the growing western settlements.[1] No matter which view we take it is evident that the settlement of the western lands was important enough to demand considerable attention.

The proclamation appears to have had little effect in preventing western immigration. Franklin states that in the decade following 1760 a large number of settlers from Virginia, Maryland, and Pennsylvania located beyond the mountains. In 1767 he estimated that there were at least five thousand families located on the Ohio.[2] So strong was this westward movement that settlers refused to obey all orders commanding them to return, and the use of force by Pennsylvania and Virginia proved unavailing.[3] These emigrants were hunters, fur-traders, and pioneers; men who had met with difficulties at home and who were discontented and impatient of the restraints of society.[4] Yet a general interest in western settlements was increasing. Jefferson stated that the demand of the

1 Washington took the view that it was to prevent trouble with the Indians. (Ohio Arch. and Hist. Quar., II: 210.) Alvord (The Genesis of the Proclamation of 1763, Mich. Hist. and Pioneer Soc. Collection, 39: 52) says, "The proclamation did not set western limits to the colonies nor was such the intention of the ministry at the time." Mr. Bancroft on the other hand maintained that the proclamation was the result of the fear of the western settlements. (Ohio Arch. and Hist. Quar., II: 210.) For the same views see the following: Winsor, Mississippi Basin, p. 431; Howard Preliminaries of the Revolution, p. 233; Annual Register, pp. 20, 763.

2 Franklin's Works, V: 66.

3 Ohio Arch. and Hist. Quar., I:223.

4 Dwight, Travels in New England and New York, II: 458; Turner, Colonization of the West, Amer. Hist. Rev. I: 315; Franklin (Works, V: 70-71) says: "The western immigrants were rough, turbulent and lawless men who were a menace even to the Indians."

people for western land was so great that Virginia felt unable to resist it and opened a land office in spite of the Proclamation of 1763.[1] This seems a little difficult to explain for it involved an investment of capital in western lands, and the average pioneer was without funds. Further the colonists were not crowded. One British official of the time explained that the demand for land was not the result of over population but of the large tracts held by many for speculative purposes.[2]

It is indeed probable that the majority of land purchased beyond the mountains was secured for speculative purposes. Many men were shrewd enough to foresee the immense increase in the value of the western lands which would occur as a result of the emigration. Washington, who in 1770 crossed the Alleghanies and visited these western lands, realized their value and secured a title to some seventy thousand acres. Most of this was secured by private patents from Lord Dunmore of Virginia before the land was opened to general entry. Many others participated, and companies were formed for the purchase of western lands.[3]

Land policy Under the Continental Congress

From this brief review it is evident that there was an increasing demand for western land by certain classes of the population, and that its value for speculative purposes was recognized by the leading men of the country. There seems, however, to be little evidence that the sale of western land was considered a very important source of income to

1 Jefferson's Works, II: 292
2 Canadian Archives, 1906, quoted in Alvord's Genesis of the proclamation of 1763.
3 Adam's Washington's Interest, pp. 56-70; Adam's Maryland's Influence on the Land Cessions, p. 13.

the state. It was too uncertain, too speculative, and the settlers did not possess sufficient capital. Consequently when the Revolution began scarcely any one suggested these lands as a source of revenue for the war.[1] Morris did not and Jefferson thought that their sale would result in more harm than benefit, perhaps might disgust the people and turn them from the common cause.[2] This view was only a temporary one and conditions were rapidly approaching which compelled Congress to use the western lands in carrying on the war.

One of the most important causes for this changed attitude was the inability of the colonies to secure the necessary funds for financing the Revolution. This was due in part to a general depression and in part to the poverty and poor credit of the colonies.[3] At the outbreak of the struggle the colonial governments were without arms or ammunition, and without money to purchase them or to pay the soldiers.[4] It was not a difficult matter to secure volunteers during the early mohths of the struggle, when patriotism was high, but the hard life, poor rations and lack of pay soon made it a difficult problem. With the expiration of the first draft of six months the soldiers were growing mutinous and the conditions were critical.[5]

1 A few men appear to have considered the western lands as a source of revenue for carrying on the war. One was Silas Deane, While agent of Congress in France he wrote home in 1776 to the Committee of Secret Correspondence, predicting a great immigration from Europ ope. He marked out on a map a wide triangle of western territory with sides of a thousand miles each, "as a resource amply adequate under proper regulations for defraying the whole expense of the war." -See Harper's Mag. 42: 220; Maryland's Influence on the Land Cessions, p. 22.
2 Jefferson's Works, II: 78.
3 Dickinson, Political Writings, I: 54-68.
4 Franklin's Works, II: 421-22.
5 Sparks, IV: 112, Washington's Letter to Congress, Sept. 24, 1776.

Washington urged upon Congress the necessity of taking some immediate action, and advised that the western land be used as bounties to secure men. As no funds were available, and the use of the lands seemed the only means of meeting the situation, Congress passed the desired legislation. The act provided that volunteers serving throughout the Revolution were to receive grants of land at the close of the war from one hundred to five hundred acres, depending on their rank.[1]

When these offers were made the United States did not own an acre of land; yet this condition could not have caused much uneasiness. The exact location of the lands had not been settled and the states were pledged to assist in procuring them.[2] If the Revolution proved unsuccessful there would be no demand for lands, and at any rate it seemed the only available method at hand. The indirect results of the act, however, were very important as it was instrumental in causing a cession of the western land to the new government. That body had two grounds on which to base its claims

1 Sept. 16, 1776, Journal of Congress, V: 331. The act provided for the following bounties: Colonel 500 acres, Lieutenant Colonel 450 acres, Major 400 acres, Captain 300 acres, Lieutenant 200 acres, Ensign 150 acres, Non-commissioned officers and privates 100 acres. The first offer of bounties was made by Congress Aug. 27, 1776, to induce the Hessians to desert the service of the Crown. One thousand acres were offered to a Colonel and one hundred for a non-commissioned officer. But one grant was made under this act, March 27, 1792.

In passing this act Congress was only following colonial precedent, for the colonies had been accustomed to reward services in Indian Wars by means of land grants. The Royal Proclamation of 1763 had also provided for grants of land to men who had served during the French and Indian War. These earlier grants were made as a reward after the services had been performed, while Congress held out the land bounty as a means of securing volunteers. See Jour. of Cong., V: 707; Donaldson, p. 473.

2 Jour. of Cong., 1776, p. 331.

for this land: the fact, charter claims of certain of the colonies overlapped and conflicted, and its own claim as the successor of the British government. Yet it is doubtful if these reasons alone would have secured the cessions by the states. A powerful stimilus to the land cessions was added by the agitation of the smaller states which did not possess claims to the western land. They realized that the fulfillment of the land bounties involved a decided loss to them if the land was secured from states claiming western territory. The latter would obtain a population and money while the landless states would lose both. This difficulty was avoided by the cession of the lands to the central government, and was favored by the smaller states. Maryland took a very important part in the struggle and refused to ratify the Articles of Confederation until the movement for cession was well under way.[1]

The states first proposed ceding the territory to the United States and retaining the jurisdiction over the land. Connecticut made such a proposal, but it was not accepted.[2] They soon realized that the simplest way to solve the problem, was for the various claimants to cede all rights to the Union. This was the action finally taken. In all, seven deeds of cession were made, three without conditions and four with stipulations. These conditions related in general to the reservation of certain tracts of land to supply state bounties or for otherpurposes, and certain money requirements.[3]

1 Adams, Maryland's Influence Upon the Land Cessions. Perhaps the most frequently recurring argument in favor of the cessions by the states was the claim that it would afford the means of paying the national debt. -See Jour. of Cong., 1782, p. 343; Jefferson's Works, III: 933.

2 Hamilton's Works, I: 262.

3 Donaldson, pp. 82-86. Connecticut reserved the Western Reserve, Virginia the Military lands, North Carolina and Georgia also made extensive reservations. Massachusetts retained her lands in Maine.

The provision which had more influence upon later land legislation than any other was inserted by Virginia in her deed of cession. This provided that the lands "shall be considered as a common fund for the use and benefit of such of the United States as have or shall become members of the Confederation or Federal Alliance of the said states --- and shall be faithfully and bona fide disposed of for that purpose and for no other use or purpose whatsoever.[1]

By these several acts of cession from seven of the states the United States came into possession of all that portion of the public domain lying east of the Mississippi and north of the thirty-first parallel or north latitude,[2] with the exception of the tracts reserved by the states and settlers. The total cessions made to the United States amounted to 404,905.91 square miles or 259,171,782 acres;[3] of this amount 265,562 square miles or 169,959,680 acres lay northwest of the Ohio.[4] Later purchases at an expense of $88,157,389.98 added 2,758,576 square miles or 1,765,488,640 acres to the public domain.[5] Thus the total area of the public domain, including all the territory acquired by the United States through treaty, conquest, cession and purchase, contained 2,889,175.91 square miles or 1,849,072,587 acres.

1 Donaldson, p. 69. North Carolina and Georgia later inserted this condition in their deeds. The cessions dragged along for a number of years, the last not being completed until 1802.
2 Donaldson, p. 85.
3 Ibid,, p. 11.
4 Ibid., p. 161.
5 Area of purchases

	Sq. miles	Acres.
Louisiana purchase, Apr. 30, 1803,	1,182,752	756,961,280
East and West Florida, Feb. 22, 1819,	59,268	37,931,520
Guadalupe Hid algo, Feb. 2, 1848,	522,568	334,443,520
State of Texas, Nov. 25, 1850,	96,707	61,892,480
Gadsden purchase, Dec. 30, 1853,	45,535	29,142,400
Alaska purchase, March 30, 1867,	577,390	369,529,600

CHAPTER II.

LAND LEGISLATION UNDER THE CONFEDERATION 1784-1789.

Demand for Land Legislation

The acquistion of the public domain made necessary some plan for its disposition. Congress in 1779 had passed a resolution requesting states having claims to the western territory not to open land offices and to forego selling or issuing warrants for unappropriated lands, or making any grants during the continuance of the Revolutionary War.[1] The settlers were thus unable to obtain titles to any western land unless they secured them from the British at Quebec.[2] Consequently, many were prevented from purchasing and there was a demand for some system for disposing of the public domain.

Before forming any plan for the disposition of the western lands it was necessary that the government should have a clear title to at least some section of the territory northwest of the Ohio. The Indian title to this tract was not clear and there were some grants by French and English authority, but Virginia had never opened a land office north of the Ohio, and in 1799 her legislature had forbidden location or preemption there.[3] The government in a resolution passed October 10, 1780, had pledged that the lands ceded to the United States "were to be granted or settled, at such times and under such regulations as shall hereafter be agreed on by the

1 Donaldson, p. 196.
2 Congress by Act March 26, 1804, directed that all grants made in the Northwest by the French authorities prior to the Treaty of paris in 1763 and the British authorities prior to the treaty of peace of 1783 should be recorded in the land offices. King's Ohio, p. 162.
3 Donaldson, p. 196.

United States in Congress assembled or nine or more of them."[1] In 1784 the problem of fulfilling this promise and securing the best system for the disposal of these lands was first discussed in Congress. Perhaps the principal reason for Congress taking steps toward the disposal of the western lands before the cessions were completed was the compelling need of the government for some source of revenue.

The national government in 1784 was on the point of financial collapse. There was a debt of thirty-nine millions with an annual interest charge of $1,875,000. In addition to this there were bills of credit and the indebtedness of the states to meet. At the close of the War a reduction in expenditures was not easily made. The soldiers had been paid in depreciated paper currency for their services during the War, and even this was not paid regularly. The claims of the common soldiers were satisfied by the bounty lands, but the government found itself compelled to vote the officers a bonus of full pay for five years. As it possessed no funds it issued certificates of indebtedness carrying interest, which were hardly current at fifteen cents on the dollar.[2]

The principal reason for the financial condition of the government is explained by the economic depression of the country. At the close of the Revolution there was a period of great commercial activity as it was thought that peace would be followed by prosperity. Large importations were made from England, and as we

1 Donaldson, p. 196. Sato in speaking of this resolution calls it the corner stone of the territorial system of the United States. He says, "It laid the foundation of all subsequent territorial legislation."
2 Dewey, Financial History of U. S. , p. 56.

had no market for our usual exports it was necessary to remit in cash or bills. In 1784-5 the importations from Great Britian amounted to more than three times our exports.[1] The effect was to drain the country of its specie and greatly raise the rate of interest.[2] Very little revenue from import duties was received by the states from these importations, as local jealousy prevented any uniform system of duties, one state declaring its port free if its neighbor levied a duty. As a result the federal government could only receive its revenue through requisitions on the states, and these in turn depended upon direct taxes. The absence of specie and the presence of depreciated paper currency made it difficult to collect the taxes.[3] In 1784 the aggregate payments made to the federal government were not sufficient to meet the current expenses, to say nothing of paying the interest on the debt.[4]

At such a time as this the idea of securing revenue from the western land was a very comforting one. The long debate over the land cessions had attracted attention to the public lands as a source of revenue, and had pledged Congress to use them to pay the public debt. With few exceptions the people who found time to think about the western lands at all appreciated the financial possibilities of the new domain. The tendency was to over-estimate their immediate value. Speculation in lands had been common and, the precedent of sales by the northern colonies was before them. Then, there was the innovation which had been tried by the Governor of Virginia in 1775 of securing a revenue from the sales of vacant

1 Hildreth,Hist. of the U. S. of Amer., III: 465.
2 Works of John Adams, VIII: 286-7.
3 Madison's Writings, II: 258-260.
4 Madison's Writings, II: 252-264. Quoted in Callender, p. 190.

lands by auction to the highest bidder. Although this was bitterly opposed at the time it undoubtedly had an effect in directing attention to this source of revenue.[1] The system for the disposal of land in Pennsylvania was the best organized and systematized of any of the colonies. In 1776 Pennsylvania reorganized her land office, dropped the quit rent clause and offered for sale her vacant lands across the Alleghanies at fifteen pounds ten shillings per hundred acres.[2] As Congress sat principally at Philadelphia where all the records were at hand, There is no doubt that they were referred to and had a very important influence upon discussion in Congress.[3]

plans for the Disposal of Western Lands

Besides the examples of the various states, Pelatiah Webster had formulated and published in 1781 a plan for the disposal of western lands. He suggested that the vacant land should first be surveyed into townships and then sold at auction to the highest bidder, the minimum price being one Spanish dollar per acre. This would insure a revenue in "hard money". He believed that settlement and improvement of the land should be required, and that the townships should be sold only as fast as settled. In support of his claims he argued that it would prevent the dispersion of the settlements, give every immigrant an equal chance and the dvantage of neighbors and friends, civil law could be better administrated, absentee holdings would be prevented, and conflicts with the Indians would be less likely. This plan was

1 Jefferson's Works, I: 452 and note.
2 Donaldson, p. 472. Also see "The Land System of Provincial Pennsylvania", by W. R. Shepherd. American History Ass. Rep., 1898, p. 123.
3 Donaldson, p. 468.

largely a practical application of the land system in use in the New England Colonies.[1]

Two other plans were presented to Congress. The first was a proposal by certain officers to found a new state northwest of the Ohio.[2] This was know as the "Army Plan". The other proposal was introduced by Bland of Virginia and was known as the "Financier's plan".[3] Both these plans insisted upon the adoption of the township system and the satisfaction of the military bounties, but they differed as to the ownership of the unappropriated land. According to the first plan the land was to belong to the state and be used for local purposes, such as establishing schools, and building bridges and public buildings. In the second plan, Mr. Bland suggested that the unappropriated land should belong to the nation and be used for general purposes only.

In 1784 a committee of five was appointed by Congress to prepare a plan for the disposal of the western lands. The committee was composed of three southerners and two northerners,[4] and the report shows the compromise of conflicting views. It combined the New England system of surveys with the southern system of disposition by land warrants. The plan provided that public lands should be divided into "hundreds" of ten geographical miles squares and these be subdivided into lots of one mile square. The land was to be sold by means of warrants, which could be purchased by specie,

1 Webster's Essary, "Extent and Value of our Western Unlocated lands and the Proper Method of Disposing of Them so as to Gain the Greatest Possible Advantage from Them.", Essays, p. 492.
2 Pickering, The Life of Timothy Pickering, I: 457.
3 Bancroft, Hist. of the Formation of the Constitution, I: 312-314.
4 Jefferson of Virginia chairman; Williamson of N. Carolina; Howell of Rhode Island; Gerry of Massachusetts; Read of S. Carolina. The report originated or invented the system. Donaldson, p. 178.

loan office certificates, certificates of liquidated debt, or military warrants. P. J. Treat in speaking of this report says, "Its merit lies in the fact that the committee proposed a better system than the one which was in use in the majority of the states which they represented."[1]

The Ordinance of 1785

Congress voted not to consider the report at the time,[2] and it was not until March 4th of the following year that Congress again took the question into consideration. It was then referred to a committee[2] composed of a member from each state. Grayson of Virginia took the leading part in the formation of the bill and its defense in the House.[3] The report was presented to Congress on April 14th,[4] and was under discussion for over a month. The bill was very similar to the earlier ordinance and provided for selling entire townships by auction at a minimum price of one dollar per acre.[5]

In a letter written by Grayson to Washington, he carefully explains the advantages of the proposed plan.[6] The following are some of the arguments advanced in favor of selling entire township lots. The sale of small tracts would give an undue advantage to those near enough to the territory to investigate the qualities of the soil. Settlement by township offers an inducement for neighborhoods of the same religious views to unite, and purchase. The sale of small tracts would result in the dispersion of the settlements

1 Treat, The National Land System, p. 27.
2 Journal of Congress, IV: 419. May 28, 1784.
3 Bancroft, I: 180; Monroe, Writings, I: 70.
4 Journal of Congress, V: 500.
5 The size of the townships was reduced from ten to seven miles square.
6 Bancroft, I: 425. April, 15, 1785.

and consequent hardship and separation from friends. On the other hand the expense of subdividing the townships would be too great, while if experience proved that the tracts were too large they could be reduced later.

The township surveys were chosen to ensure clear titles, even settlement of the country, and to prevent too great dispersion of the population. By offering a few townships for sale at a time the market would not be over stocked and the price reduced. Besides these advantages the township form with its straight lines could be surveyed with the least expense, and offered an easy means of recording sales, while escaping all the inconveniences of the southern system of warrants.

The price of land was placed at one dollar an acre, which was rather high considering the general price of improved land, for two reasons.[1] One was to prevent speculation, as speculators could not afford to keep the land idle, and wait for an increase in value, as the loss of the interest on their investment would be too great. But the chief reason was to insure a revenue to the government, which Grayson syas was the main purpose of the bill.

In the discussion in Congress, which followed the report of the bill, the New England plan seems to have been early agreed upon, but it required long discussions and efforts to agree upon the details. The southern representatives wished to provide for the sale of tracts smaller than townships. In standing out for this they were insisting on a principle which later became a prominent part of the land system. As time passed it become evident that a com-

1 Federalist, No. XV.. Speaks of a "violent and unnatural decrease in the value of land". Quoted in Callender, p. 195.

promise would be necessary. It was finally agreed that half the townships should be divided into sections one mile square, which would allow a purchaser to secure a tract of land without waiting for the sale of the entire township.

On the third of May 1785, by a motion of Grayson the size of the townships was reduced to six miles square. In speaking of the completed ordinance King said, "All parties who have advocated particular modes of disposing of this western territority have relinquished some things they wished and the ordinance is a compromise of opinions."[1] On May 20, 1785, the ordinance became a law. In its final form, its provisions in brief were as follows:[2] A Geographer was to be appointed who was given charge of the surveying. Under his direction surveys were to be made by surveyors appointed by Congress, one from each state. The law provided that seven ranges of townships should be surveyed, bordering on the western part of Pennsylvania, and running from the Ohio to Lake Erie. Each township was to be six miles square, and provision was made for sub-dividing the alternate townships into sections one mile square, but the law only provided for the surveying of the township lines. As soon as the surveys were completed one seventh of the townships were to be drawn by lot and used for land bounties for the Continental Army. The remainder was to be drawn by lot for the states in proportion to their last quota of contribution to the Central Government. Commissioners and loan offices were to be established in each state, and provided with plots showing the land at

1 Pickering, Life of Timothy Pickering, I: 516.
2 Journal of Congress, IV: 520-2.

their disposal. The land was to be advertised for six months and sold at public auction for not less than "one dollar per acre, specie or loan office certificates reduced to specie value by scale of depreciation, or certificates of liquidated debts of the United States, including interest."[1] The expenses of survey and other charges which were rated at thirty-six dollars a township were paid by the purchaser. Deeds were to be given for all land purchased, and the records were to be filed by the treasury department. Certain townships and sections, 8, 11, 26, 29 or every township were reserved by the government for future sale.

Such in brief was the first law for the disposition of the western lands. Its importance upon later legislation can hardly be over-estimated. Many of the provisions then inaugurated are in force today. It ensured an exact and reliable system of surveys and records, which would never have been obtained under the system of indescriminate location.

The Working of the Ordinance of 1785

According to the provisions of the Ordinance, seven ranges to Townships were to be surveyed before any of the land could be offered for sale. Thomas Hutchins was appointed geographer and the surveyors from the various states were chosen. Owing to the hostile Indians and other unexpected difficulties, the surveys took much longer than was expected. By April 18, 1787 but four ranges had been surveyed.[2] Thus nearly two years had passed and not an acre had been offered for sale.

1 Donaldson, p. 197.
2 Journal of Cong. IV: 636, 637, 700. A range was a tier of townships running from the north to the south. The ranges were enumerated from the East to the West.

This did not prevent the settlers from passing over the mountains and locating on government land. Bancroft in speaking of these settlers says, they "maintain that actual settlement and cultivation alone creates a right to the soil."[1] These squatters caused a great deal of discontent among the Indians, and subsequent Indian massacres.[2] They also tended to create misunderstanding with the Spanish authorities.[3] The government was thus losing revenue and laying up a store of trouble as the first results of the new Ordinance.

Under these circumstances it is but natural that there should have been an attempt to introduce the more rapid system of sale by indiscriminate location. Two attempts were made in 1786 and two in 1787 but were not successful.[4] Grayson in a letter written in the latter year says, "The mode of sale will be a source of different opinions. The eastern gentlemen remain attached to the system of townships. Many others are equally strenuous for indiscriminate locations."[5]

Because of the slowness of the surveys in April 1787 Congress decided it would not be best to wait for the entire seven ranges to be surveyed before any sales were made, and decided to offer the four ranges. By advice of the Board of Treasury the Ordinance of 1785 was amended in two respects. The system of sales in the thirteen states was abolished and a provision was inserted that all sales be made at the seat of the government. Washington

1 Bancroft, I: 367-8.
2 Ibid., I: 387.
3 Ibid., I: 333.
4 Madison, Writings, II: 356; Bancroft, II: 438.
5 Cutler, I: 126; Sparks, I: 519.

had objected to the original provision of the earlier ordinance as he believed it would lead to state jobbing, but it had been included in spite of his protest.[1] The other change provided that but one-third of the money need be paid at the sale of the lands, and that three months should be given for the payment of the balance.[2] On October 22, 1787 the land ordinance was again amended to provide for the reservation of certain townships for the satisfaction of the bounty warrants, and that they should not be legal in the purchase of other lands.[3] In the following year this restrictions as to their location. In 1788 the ordinance was extended to permit sales of land in New York and Philadelphia.[4] These were the last amendments passed under the Confederation.

So far as the land sales were concerned the ordinance was a failure. In all, some 72,974 acres were sold and $117,108.00 was received in public securities.[5] As the purpose of the law had been to secure revenue, the results were a disappointment to the government and many friends of the measure.

An explanation of the poor results is not difficult to find. The demand for the western land was not so great as had been expected. Only the township lines had been surveyed, and to purchase an entire township meant an outlay of thirteen thousand and forty dollars. Only the wealthy could afford this sum, and the conditions in the West were such as to discourage the eastern capital-

1 Letter of Washington to Grayson, April 25, 1785; Bancroft, I: 430.
2 April 25, 1787, Journal of Congress, IV: 739.
3 Journal of Congress, IV: 832; July 9, 1788; Ibid., IV: 833. The original intention was to place on the frontier a body of veterans, but was given up with the passage of the latter provision.
4 Journal of Congress, IV: 832.
5 Public Lands, III: 459; Donaldson, p. 17.

ist from investing in western lands. The government had attempted to secure the Indian title to the tract north of the Ohio, by the trety of Fort Stanwix, but all the tribes were not satisfied, as the subsequent raids and murders showed. As result of these conditions no entire townships were sold. The smaller tracts which were sold, were purchased for settlement, but as a rule the actual settlers who wished to invest money in western land were few in number. The majority of the immigrants were squatters who were accustomed to the dangers of frontier life, but who did not possess six hundred and forty dollars to purchase a section of public land.

The western population was composed of a restless, adventurous type of men who were largely engaged in speculations and land jobbing, until according to Washington it was difficult to find a valuable location without a claimant.[1] Towns were built, local governments were organized. Favorable locations on the river sometimes sold at ten pounds a lot. In 1785 Ensign Armstrong reported a village of three hundred families on the Ohio.[2] Nearly all these settlers were squatters on the public domain. This condition of affairs was entirely inconsistent with the policy of receiving a revenue from the sale of lands, and beside tended to anger the Indians.[3] Congress followed a consistent policy by the passage of a series of laws to prohibit unauthorized settlements. In 1785 squatters were notified to leave, and the Secretary of War was authorized to use the army to enforce the order.[4] The endeavor

1 Bancroft, I, 387. Letter of Washington, Nov. 3, 1784.
2 King, Ohio, p. 193.
3 Sparks, VIII: 477. Letter of Washington, Sept. 7, 1883.
4 Donaldson, p. 197.

of the government was not very successful, and in 1787 provision was made for stationing seven hundred troops on the frontier to prevent "unwarrantable intrusions".[1]

This attention to preserve the public domain as a source of revenue was a very natural one. It was practically the only resource left to Congress. In 1787 her financial system had broken down completely. She could not borrow any funds at home or abroad. The states did not contribute their requisitions, and would not allow a national tax.[2] Further, the lands were of no immediate benefit unless revenue could be derived from them by actual sale. The effort to obtain money from sales in the seven ranges had not succeeded. At this juncture certain large land companies began negotiations with Congress for the purchase of large tracts at a special price, below the one dollar provided by the ordinance of 1785. This was in opposition to the ordinance and envolved the suspension of many of its provisions. It meant the future competition of the land with the government sales, and the monopoly of large tracts by single companies. There were, however, certain arguments in favor of the special sales, especially the sale to the Ohio Company, which was composed largely of officers of the army. The argument was advanced that a western settlement composed mostly of old veterans would be a splendid protection to the eastern states.

Special Sales With the aid of favorable influence exerted by Washington for the company, on July 23, 1787, Congress instructed the Board of Treasury to close a contract with

1 Journal of Congress, IV: 785, Oct. 3, 1787.
2 Dewey, Financial History of United States, p. 59.

the Ohio Company.[1] The contract provided for the sale of a tract on the Scioto and Ohio, estimated at two million acres. The terms of the sale were placed at one dollar an acre with a rebate of one-third of a dollar for poor lands, as this was payable in government paper which was worth only twelve cents on the dollar the actual cost of the land was only about ten cents an acre. The reservations provided for in the Ordinance of 1785 were to be respected, and in addition provision was made for one section in each township to be set apart for religion, and two townships in the grant were reserved for a university. By the terms of the sale $500,000 were to be immediately paid down, and $500,000 after the government had completed the surveys.[2] The balance was to be paid in six equal payments, a deed was to be given for $1,000,000 worth of land when that amount had been paid.[3] Provision was made for one-seventh of the amount to be paid in military bounty rights. Owing to later misfortunes the company was unable to fulfill its contract afte the first payment of $500,000 in Continental securities, and Congress accepted that sum in payment for 750,000 acres of land and granted 214,295 acres for 142,900 bounty land warrants.[4]

The success of the Ohio Company in securing special terms caused other applicants. The next sale was to John Symmes for a tract of one million acres on the Great and Little Miama Rivers. The original petition had requested Congress to make the grant on the same terms as that received by the Ohio Company.[5] This was not

1 Cutler, I: 101 et. sq.
2 Donaldson, p. 197.
3 Journal of Congress, IV: 871.
4 Public Lands, I: 255. The company did not succeed in selling the land as rapidly as it had hoped to.
5 Journal of Congress, App. p. 18. Aug. 29, 1787.

granted and the terms of the contract which was actually made were changed several times, by special grants and favors, until Congress finally found it had granted 105,683 acres of land for $70,455 in public securities and 142,857 acres for $95,250 in military warrants.[1]

There was only one other large sale made. Pennsylvania purchased a tract of land now in Erie County of that state, containing 202,187 acres for $157,640 in public securities. The reason for this purchase by the state was to secure a frontage on Lake Erie.[2] Thus but three tracts of land were sold by contract during the Confederation. All of these were sold at a rate of two-thirds of a dollar an acre, payable in evidences of public debt, which were often worth less than ten cents on the dollar. In the case of the Symmes purchase at least a military land warrant was estimated at its face value of one dollar, and an acre and a third of land was given in exchange for every warrant.[3]

The following is a summary of the land sales under the Confederation.

		Acres	Securities	Bounty Warrants
1787	Sales at New York	72,974	$117,108	———
	Ohio Company	964,285	500,000	142,900
1788	Symmes	248,540	70,455	95,250
	Pennsylvania	202,187	151,640	———
		1,487,986	839,203	238,150

1 Public Lands, I: 75, 104, 127.
2 Donaldson, p. 192; Journal of Congress, IV: 864.
3 These prices explain the way in which these companies were able to compete for settlers with the government at a later period.
The history of these special sales has been thoroughly investigated by several authors for Symmes purchase,, see Ohio Archaeological and Historical publications, Vol. II; for the other purchase see Hinsdale, Old Northwest.

CHAPTER III.

LAND LEGISLATION UNDER THE FEDERAL GOVERNMENT 1789-1820.

Attempts at Land Legislation

When the first Congress under the Constitution met in 1789 it was natural that the discussion of some plan for the disposal of the public domain should occupy the attention of the new government. The surveys ordered under the Ordinance of 1785 had not been finished, and the final payments by the Ohio Company were not due until they were completed. Thomas Hutchinson the Geographer was dead and some action was necessary. The results of the preceding legislation had been very disappointing. There had been no private sales for two years and the sales by special contract had proved unsatisfactory. The expense of the surveys, which was paid in specie, amounted to, $20,690 and exceeded the specie receipts for the entire quantity sold.[1] In spite of the poor success in the sales of western lands there seems to have been an idea current that if only the right plan could be devised the public domain would furnish a means for paying the expenses of the war.[2]

The financial needs of the government were so great that it was necessary to devise some means to meet the need. Hildreth describes the condition of the country as being "without revenue, without credit, without authority, influence or respect at home or abroad; the state governments suffering under severe pecuniary embarrassments and a large portion of the individuals who composed the nation over-whelmed by private debts."[3] Under these circumstances

1 Annals, 1789-90, p. 629.
2 Sparks, IX: 381-3.
3 Hildreth, Hist. of the United States of America, IV: 273-77.

it was natural that Congress should try to devise some more effective law for the sale of lands.

Several plans were suggested. Scott of western Pennsylvania was the most active representative of the frontier settlements. He urged that the earlier plan be abandoned and that an entirely new plan be adopted, and advocated indescriminate locations on the ground tnat the surveys were slow and costly. He advised sales in small tracts, on the ground that it would insure a large revenue, as there were thousands who desired land and would secure it from Spain if necessary. The eastern fear of depopulation was met by the claim that it was impossible to stop the western emigration, and that the necessity should be used to secure revenue. Lastly he urged the giving of credit and cited Pennsylvania as an example. Scott presented a bill the special features of which were proposals to limit the amount of land granted to one person and the granting of preemption to actual settlers.[1] The bill never proceeded beyond the second reading as the terms were too liberal to meet the approval of the majority. Despairing of reaching any agreement the House decided to request the Secretary of the Treasury to outline a plan for the disposal of the lands. Hamilton accepted this duty and on July 20, 1790, presented his "Plan for the Disposition of the Public Lands".[2]

Hamilton's Plan "Any plans for the disposition of vacant lands must contain two objects", said Hamilton: "one, the facility of advantageous sales, according to the probable

1 Annals 1789-90, pp. 665-6. Benton's Abridgement, I: 99, 113.
2 Donaldson, p. 198; Hamilton's Works, VIII: 87; Public Lands, I: 8.

course of purchases; the other, the accommodation of individuals now inhabiting the western country, or who may hereafter migrate thither. The former as an operation of finance claims primary attention." Hamilton considered that there would be three classes of purchasers, "moneyed individuals and associations who will buy to sell again; associations of persons who intend to make settlements themselves; single persons or families. The two first will be frequently blended and will always want considerable tracts. The last will generally purchase small quantities." To attract the former class he advised the opening of a general land office at the seat of the government, where large contracts could be negotiated. No limit was placed upon the amount that could be purchased, and two years credit was allowed for all purchases of more than a township of ten square miles. For the smaller purchaser he recommended the establishment of local land offices. He seems to have favored small holdings, as he desired to limit the amount an actual settler could hold to one hundred acres. He considered that the price should be fixed at thirty cents an acre in preference to retaining the auction system.

This plan was quite different from that outlined by the Ordinance of 1785; the size of the townships was changed from six to ten miles square, the auction system was abolished, and the credit system was introduced. Donaldson in his **Public** Domain, commenting on this report, says: "It forms in its several leading features the basis of prior and existing methods of administration for the sale and disposition of the public domain."[1] While the plan favored the

[1]Donaldson, p. 200. E. P. Treat in his National Land System, p. 73 criticises his statement on the ground that Hamilton's plans were not original and that some of the recommendations did not prove wise It seems to me that this criticism is hardly fair as Donaldson only

speculator rather than the actual settler, the terms to the latter were much more favorable than those provided by any earlier legislation. The plan was a good business proposition to secure as large a revenue as possible and was a decided improvement upon the Ordinance of 1785.

Personally Hamilton did not believe that the public lands would be valuable as an immediate source of revenue, but rather considered them valuable as a basis of credit and a source of future revenue.[1] He considered that this could best be accomplished by using the public domain in the liquidation of the debt. In his annual report as secretary of the Treasury he proposed that the holders of certificates should receive one-third the amount in public lands and interest on the remaining two-thirds until paid; an acre of land to be valued at twenty cents. This suggestion was not adopted, instead the plan of receiving certificates of public debt in payment for the land purchased was continued until 1806.[2] On August 4, 1790, Congress passed a law providing that the net proceeds of the sales of land belonging to the United States should be transferred to the sinking fund.[3] This was a different use of the lands than Hamilton had suggested. The plan, however, received the approval of Washington and Jefferson, who considered it as a means of reducing the debt.[4] This provision bound down Congress more closely than ever before to the policy of securing the greatest

(Continued) claimed that many of Hamilton's proposals had been enacted into law and not that every proposal had proved a success.

1 Adams, Maryland's Influence on the Land Cessions, p. 35.
2 Annals of Cong., XVI: 1291; Apr. 1806; Donaldson, p. 205.
3 Statutes at Large, 1790, Ch. 34; Donaldson, p. 205.
4 Bolles, Financial History of the United States, p. 356.

possible revenue from the sale of the public domain, and led to the consideration of Hamilton's proposed land system.

Hamilton's report was discussed in the Committee of the Whole and a bill was presented to the House which agreed in the main with Hamilton's proposals. The price was placed at twenty-five cents an acre in hard money. No limit was placed to the quantity of land which might be secured by special contract at the central land office, while two years credit was granted on all township purchases. Special sales of large tracts with irregular boundaries were allowed on condition that a certain part of the purchase should be at a distance from the river. The wishes of the settler were consulted but little, as the township was the smallest tract offered for sale.[1] In the debate Scott made a hard struggle to secure the right of indiscriminate location, but the experience of the southern settlers had proved the disadvantages of the plan and his proposal was defeated. This bill passed the House and was referred to the Senate where it was shelved by a committee.

Strangely enough the question of public lands does not seem to have been mentioned in Congress for over five years, or until 1796. This absence in the Annals of Congress of any discussion concerning the public lands is rather strange in contrast to the prominent place it had occupied during the first few years. Although there is no record of the reason for this sudden loss of interest in the subject of western lands, an examination of the economic conditions furnishes a very reasonable explanation.

The opening years of the new government occurred just at

1 Annals, 1790-1, p. 1839-1841.

the close of a cycle of speculation and hard times, which had taken place at the end of the war. A new and growing trade soon opened with China and the East Indies, while a scarcity of crops in France and the West Indies created a demand for food supplies.[1] The curtailment of commerce during the war had resulted in the birth of many home manufactures; the textile and leather industries were especially successful.[2] Our large exports restored specie to the country and enabled us to increase our imports.[3] By 1790 our imports from Great Britain were little less than the amount purchased on credit during the boom period of 1784.[4] There was one other important event which greatly increased our commerce and prosperity, the outbreak of the European Wars in 1793. This event threw a large part of the colonial carrying trade of the world into our hands and created a European market for the food products of the northern states.[5]

The new government came into existence just in time to reap the reward of these improved conditions.[6] Its own action in the passage of the tariff measures, the establishment of the treasury department, the funding of the debt, and the chartering of the United States Bank all combined to reestablish confidence and prosperity.[7] The new revenue system proved a financial success as far as the import duties were concerned and these furnished by far the major part of the revenue. During the first two years the receipts of the gov-

1 Sparks, IX: 426-427. Letter of Washington to Jefferson, Aug.31,'88.
2 Ibid., 463-5, Letter of Washington to La Fayette, Jan. 29, 1789.
3 Federalist, Quoted in Callender, p. 229.
4 Esports from England to the United States in 1784 were 3,679,467 pounds, in 1786, 1,603,465 pounds, in 1788 1,886,142 pounds, in 1790 3,431,778.pounds.
5 Pitkin, Statistical View, p. 145-152.
6 Sparks, IX: 381-3, Letter of June 18, 1788.
7 Jefferson, Writings, Quoted in Callender, p. 237.

ernment far exceeded the expenditures. In 1783 there appeared for the first time a deficit, but the report of the following year showed a surplus of nearly a million dollars.[1]

Considering these circumstances the inaction by Congress seems reasonable. During the first few years the financial needs of the new government required Congress to consider every possible source of revenue, and Congress felt compelled to secure some returns from the sale of lands. With the success of the customs receipts and the general prosperity of the country the need for immediate action on the public domain ceased, and Congress devoted its attention to more pressing questions. Consequently no action was taken for the disposal of public lands until 1796.

Before considering further the history of the early land legislation, a brief examination of the two parties interested in the disposal of the public domain may prove of benefit. A study of the subject shows the presence of two opposing factors whose interests in nearly every case are diametrically opposed; these were the interests of the East and the West. The history of the struggle between these two regions is the key to the land legislation of this period, and the growing power of the later, as time passed, accounts for the increasing liberality of the land laws.

Eastern Interests In 1789 the new government was almost completely controlled by the business interests of the East. The Federalists were interested in the financial success of the new state and this was best advanced by protecting the

1 Dewey, Financial History, table, p. 112.

eastern business interests. Nearly all the representatives in the House were men who were in sympathy with the principles of the Federalist party. There was a small minority of men from the western frontiers of New York, Pennsylvania, and Virginia, who realized and worked to advance the interests of the western settler, but they were very few in number. The same conditions existed in the Senate, only there the interest in the West was even less than in the House. Consequently it was but natural that the land laws enacted should favor the interests in control of Congress.

In many ways it was to the advantage of the eastern states to hinder the passage of any suitable system for the disposal of the lands, and thus if possible prevent further western settlement. Years before, when the Ordinance of 1785 was under consideration, Grayson reports that there was a strong influence brought by the eastern states to arrange the terms of sale so as to prevent an emigration of their population to the West. The fear was expressed that such a depopulation would result in a depreciation of the land values in the original states.[1] The early debates in Congress show a continuation of this same hostile attitude, and the additional argument is advanced, that laborers will become scarce and wages rise in the eastern states.[2] There was undoubtedly cause for their fears, for a steady exodus of emigrants to the West was in progress. Entire neighborhoods moved West, and the roads were filled with moving families.[3] In 1796, Gallatin estimated that at least ten thousand families yearly migrated to the West of the Alleghanies.[4]

1 Bancroft, Const. Hist., I: 425.
2 Wm. Maclay, Journal in the Senate, p. 199; Annals, I: 622. Benton's Abridgement, I:113.
3 McMaster, History of the United States, II: 573.
4 Gallatin's Works, III: 154-5.

The eastern representatives were apprehensive of the consequences following the formation of the western settlements into new states.[1] It was considered doubtful by many whether it was worth while to attempt to retain the West in the union. Massachusetts feared that the loss of her population would destroy her power in Congress.[2] These fears were clearly expressed in the Hartford Convention in the words, the "western states multiplied in number and augmented in population will control the interests of the whole union."[3] The settlers of the West realized the attitude of the eastern states and felt that their interests were being sacrificed.

Undoubtedly the chief reason for the eastern opposition, was the fear that the sale of the western lands would interfere with land on market in the individual states.[4] Virginia, New York, Pennsylvania, Massachusetts, and Connecticut all possessed unoccupied land which it was primarily to their interest to dispose of. As early as 1784 General Putman had called the attention of Washington to the fact that, "Massachuetts was forming a plan for settling the eastern country (Maine), and New York was wisely inviting eastern people to settle in that state", hence the delegates would not favor the settlement on the Ohio.[5] The same feeling was present during the first few years of the federal government.

In order to insure the sale of land in the respective states, and to secure settlers, the price of their land was reduced to a very low figure. In 1791 more than 3,500,000 acres were sold

1 Bancroft, Const. Hist., I: 425.
2 Cutler, Life and Jour., I: 134.
3 Von Holst, Const. Hist., I: 186.
4 Bancroft, I: 426.
5 Cutler, I: 135. Letter dated April 5, 1784.

in New York at eight pence an acre, while many thousand acres, in addition, were sold for less than four shillings an acre, many for less than two shillings.[1] Three years later land sold regularily in Genesee County at twenty-five cents, and Massachusetts offered her land in Maine at fifty cents an acre.[2] Pennsylvania sold her lands west of the Alleghanies at three pounds, ten shillings per pundred acres. The purchase of each person was limited to four hundred acres, but certificates given to soldiers for pay, and their unpaid wages, were accepted in payment for the land.[3] The land in the Western Reserve was offered by Connecticut in townsnip lots at fifty cents an acre.[4] Virginia offered her land in Kentucky on very liberal terms, a great deal more emphasis being placed on the settlement of the country than upon securing a revenue. The nominal price was placed at twenty-five cents an acre, but as this was payable in depreciated continental currency, the land was practically given away.[5]

On the other hand there were certain conditions which were directly opposed to the influences just mentioned. These impressed upon Congress the necessity of providing a suitable law for the disposal and settlement of the public domain. It was contended that the new settlements would serve as a protection to the western frontier of Virginia and Pennsylvania, a buffer against attacks by the Indians or other foes. This was one of the reasons advanced by the Chio Company to secure its grant, and it seems reasonable that the

1 O'Callaghan, Doc. Hist. of New York, III: 1069-83.
2 Warden, North America, I: 539.
3 Penn. Colonial Statutes at Large, 1872, p. 315.
4 Chio Arch. and Hist. Pub., II: 471.
5 Imlay, Kentucky, I: 35. Imlay states that at this time Continental Currency had depreciated to five hundred for one of specie.

the presence of a large body of trained men would prove a great protection.[1] The future importance of the West as a market for eastern produce and a source of supply of raw material was clearly recognized, but probably had little immediate influence. The threat that the West would turn to Spain was frequently used in Congress, by the western representatives to force favorable action. Although this did not affect certain members it was an important incentive to action.[2] Spain was doing all in her power to attract the settlers on the Mississippi. The Governor of Louisiana offered grants of land with freedom from taxation and an open market at New Orleans.[3] So liberal were these offers that a great many of the western settlers accepted them and moved into Spanish Territory.[4] Undoubtedly, the most important motive to action was the need of revenue. The government feared to rely entirely upon the custom receipts, which were liable to disarrangement by European Wars. Besides this fact, the expenditure of the government was increasing more rapidly than the revenue, and a large deficit appeared in 1794 and 1795.[5] In view of these facts some legislation to secure revenue from the sale of lands was to be expected, but it would seem questionable whether it would be enacted in the interest of the western settlers.

Western Interests — On the other hand the frontiersmen had little in common with the East and no sympathy for the existing land system. This followed from the character of the western settlers, and the absence of communication with the

1 Cutler, Jour., I: 121.
2 Benton's Abridgement, I: 99, 113.
3 St. Clair Papers, p. 122-123.
4 Draper Collection, II: 27-8, quoted in Boggoss, p. 12.
5 Dewey, Financial Hist. of U. S., p. 112.

coast. They were small in numbers, restless and interested in securing the best possible location with the smallest investment of capital.

The inhabitants of the region beyond the Alleghanies were few in number, and these few were practically unrepresented in Congress. The Census of 1790 gave the total population northwest of the Ohio as 35,691.[1] This, however, was only a small part of the western settlement, as there were seventy-four thousand inhabitants in Kentucky and nearly that number in Tennessee, besides the settlers in western New York, Pennsylvania, and Virginia.[2] There was a large immigration to this region and the Census returns for 1800 shows an immense increase in the number of inhabitants. The population of Kentucky had increased to 220,959, of Tennessee to 105,602, the territory northwest of the Ohio to 45,365, while western Pennsylvania showed a population of 327,979, and western Virginia 203,518.[3]

One of the principal causes for the movement of the settlers to the western territory was a general restlessness and spirit of adventure which was present in certain individuals. The Revolution had furnished an outlet for this spirit, but with the close of the war it necessarily manifested itself in some other form. The dangerous and precarious existence of the frontier settler was particularly favorable to the development of this feeling. The vastness of the new domain, its unexplored wonders and dangers all combined to produce an unusual restlessness.[4]

Another reason for western immigration was the economic de-

1 Pitkin, Statistical View, p. 285.
2 U. S. Census, 1900, I, Part I, pp. XXII-XXV.
3 Pitkin, pp. 286-287, table number II.
4 Latrobe, The Rambler, I: 85-92.

pression in the eastern states which followed the speculative period at the close of the war. This resulted in a great deal of hardship to the poorer classes. Shay's Rebellion in Massachusetts was the natural culmination of the feelings resulting from these conditions.[1] The situation of the rural classes was especially bad, money was scarce and interest was very high. Rufus King estimated that the taxes due in Massachusetts in 1786 amounted to nearly a third of the income of the people.[2] These conditions gave an impetus to the western movement, and resulted in an exodus of those who were dissatisfied with their condition in the eastern states.[3]

The average frontier settler, however, did not make a change merely to gratify a wandering disposition. In every change he hoped to make money.[4] One settler said his reason for moving to the West was to secure such an establishment in land as he dispaired of ever being able to secure in the old settlements.[5] Although the East was not crowded, land was much more expensive than the same quantity in the West. We have seen what liberal terms were made by the various states to secure settlement on their western lands. Kentucky made even more liberal offers. Four hundred acres were surveyed and sold to every poor family at twenty shillings per hundred acres, while two and a half years were given to pay this amount.[6] By a law passed in 1786 preemption rights were granted, the price per hundred acres was lowered to thirteen shillings four pence, while liberal credit was allowed.[7] Imlay states that these

1 C. F. Adams, Life and Work of John Adams, I: 441.
2 Life and Correspondence of Rufus King, I: 190.
3 Warville's, Travels, p. 135.
4 Weld, Travels Through the States, p. 100.
5 Public Lands, I: 256.
6 Littel, Laws of Kentucky, I: 430, quoted from Boggess, p. 103.
7 Ibid., I: 456.

liberal offers resulted in an immense emigration to Kentucky from all parts of America, and that by 1790 a large part of the state had been surveyed and patented.[1]

The ease with which land could be obtained, the political and social advantage which were connected with landed property, and the local credit which such a holding gave, all combined to give importance to the acquistion of land. Moreover the steady growth of the population produced a corresponding increase in the land values, so that a rise in the value of land was the normal condition rather than the exceptional one. As a result the purchase of land was not looked upon as a speculation involving risk, but as an indication of foresight and thrift; in short a kind of bank account. This very certainity offered a constant temptation to go into debt in order to secure land, and created a mania for its possession.

Settlers in the West had few interests in common with the more wealthy residents of the eastern states. They led an isolated, self sufficient life. Each family was obliged to depend upon their own labor for the preparation of their food and clothing. Indeed the western settlements may be viewed in the same light as colonies. The difficulty and expense of land transportation prevented commerce between the East and the West. There were no natural waterways crossing the Alleghanies, and hence this most important and cheap method of transportation was impossible. Even had transportation been cheaper, there was no market for the western products, which were mostly agricultural, as the eastern states were themselves agricultural communities. The absence of money or any means of se-

1 Imlay, Kentucky, I: 44. This emigration was stimulated by glow-descriptions of the western lands, published by the various newspapers. See Warville, Travels, p. 135.

curing money, still further prevented the western settler from purchasing the eastern produce, which he otherwise might have purchased. The very geographical situation of the western settlements resulted in a complete separation of interests, if not an opposition to the interests of the eastern states.

In 1789 the people of the West were dissatisfied with the terms provided by the Ordinance of 1785, while the special sales were even more unsatisfactory. The feelings of the average frontiersman are well expressed by Burnett, who says: "The tracts of land offered for sale by the government were so large that men of limited means were unable to purchase. The scheme which had been established was better calculated to meet the views of speculators and advance their interests, that it was to relieve the poor industrious laborer."[1] Indeed the terms provided by the government were so unfavorable that a majority of the western immigrants did not settle on the public domain. The flow of western immigration was directed to the state lands and not to the government lands. In 1796 Gallatin estimated that about one-fifth of the western immigrants would settle upon the lands of the United States, but this estimate, for several years, proved too great.[2]

The Ordinance of 1785 provided that the townships should be surveyed prior to the sale of the land, and as the surveys were expensive and difficult to make, several years passed before they were completed. In the meantime the pioneer was obliged to purchase his land where he could secure a title or settle upon the public domain as a squatter and trust that the government would con-

1 Burnetts, Notes on the Northwest, p. 396.
2 Gallatin, Works, III: 155.

fer the right of preemption. The practice of driving off unauthorized settlers warned him not to expect any great leniency. Indeed the land system prevented all legitimate settlement in Indiana, Illinois, and the greater part of Ohio, as no surveys had been made there. This practically forced prospective purchasers to secure lands elsewhere than from the government.

The Ordinance of 1785 entirely ignored the wishes of the actual settlers, who were most vitally interested in the lands. They wished cheap lands without delay, while the system provided for surveys which it required a long time to complete. The settler desired the right of preemption while the land was being surveyed, with the privilege of purchasing the land at a nominal rate on easy terms of credit. The system of township surveys seldom allowed location on the streams which were so necessary for a means of communication. Only by means of indiscriminate location could this advantage be secured. Part of the land surveyed in the Seven Ranges extended forty-two miles from the Ohio River. Lastly, the settlers demanded smaller tracts of land, while the smallest provided by the Ordinance was six hundred and forty acre lots, in alternate townships, with the additional expense of surveying the section lines.

Such in brief were the interests of the two factors upon which the devolopment of the land system depended. In most respects their desires were opposed. It must be remembered that in 1796 the eastern states were in control of Congress. The resulting legislation was exactly such as might have been expected. The idea of using the lands to secure revenue was the ruling conception in the passage of the land laws. The interests of the eastern states were carefully guarded in all the provisions. Only in so far as the

legislation was in accord with these wishes were the desires of the western settler considered.

Act of 1796. The failure of Congress to pass the land legislation in 1791 left the Ordinance of 1785 in force. The sales during the following five years were small. Individual members of Congress were interested in land speculations.[1] It is possible that special contracts would have continued for many years had not the attempt of a land company to bribe certain members been exposed. An additional reason for providing a land system was the defeat of the Indians in the Northwest by Wayne, and the consequent increased safety of the northern settler.

On January 28, 1796, a committee of the House reported a bill for the establishment of a land system. In the debate which resulted many of the problems which had been considered in 1789 were again discussed. A clear distincition, however, can be seen in the character of the debates in the two periods. During the seven years between 1789 and 1796 the number of representatives from the back country had increased, and the interests of the back settler were presented with more force and urgency. In nearly all the questions considered the interests of the East and the West clashed. The western settlers still insisted upon the necessity of irregular boundaries, and the right to locate on streams, but the advantage of the rectanglar system of surveys was so great as to cause their adoption.

In the discussion as to the size of the tracts to be of-

1 Wm. Maclay, Journal, p. 199.

fered for sale, the opposition between the two interests of the coast and the frontier appeared clearest. The representatives of the latter believed in the sale of small tracts to attract settlers, while the moneyed interests insisted on large purchases. Findley of Pennsylvania considered that the land should be sold in such a manner as to attract the settlers. Haven of New York thought that no large tracts should be sold, Livingston advanced the argument that the sale of small tracts would produce the most revenue and at the same time attract settlers. Gallatin, like Hamilton, recognized the various classes of purchasers, but considered that the extinction of the debt was of the greatest importance and that the law should be formed to secure the greatest revenue. With this in view he proposed that half the townships should be sold in large tracts and half in small. The large tracts he asserted would later be sold to the actual settler on better terms than the government could afford to give. Mr. Nicholas of Virginia pointed that the treasury was empty and that revenue must be secured, speculators or no. It was argued by others that the expense of surveying the small tracts would be great and that small purchasers would take all of the good land and leave the other idle, at the same time making large purchases impossible. As a result of these opposing views the House accepted Gallatin's proposal of the different sized lots for different purchasers, and agreed upon placing the minimum size at one hundred and sixty acres. The more conservative Senate rejected this, and raised the size to three hundred and twenty acres, much to the regret of Rutherford of Virginia who declared that it was the only clause favorable to the real settler.

There was an attempt made to require settlement upon all

land purchased. This was supported by the western representatives on the ground that it would cause a conpact frontier, but it was defeated by those states who feared to lose their population. An attempt was made to limit the amount of land that could be sold each year and thus insure a steady demand, but it was unsuccessful.[1]

The bill as finally passed May 18, 1796, in brief was as follows: The leading featurs of the Ordinance of 1785 were retained, i. e. the system of rectangular surveys, the method of dividing the land into townships six miles square and the alternate townsips into sections, the reservation of four sections in the middle of each township, the aution system with a minimum price, and the provision that seven ranges should be surveyed before any of the land was to be sold. Many new features were introduced: all salt springs were reserved by the government, a surveyor general was provided who was to take over the duties of the old Geographer, the minimum price was raised to two dollars an acre. A central land office was created, and two branch offices, one at Cincinnati and one at Pittsburg. Section lots were offered for sale at the latter office only. The law provided that before any sale could take place, two months notice was to be given by advertisement. The land was to be sold to the highest bidder, and one-twentieth of the cost was to be deposited at the time of the purchase, one half of the remaining sum in thirty days, and the remainder in one year. Failure to make any payment resulted in forfeiture of the amount paid. No deed was given until the payments were completed. A deduction of ten per cent was allowed

1 Annals of Cong., 1796, p. 378.

on all cash purchases, which reduced the price to one dollar and eighty cents an acre. In addition there were certain small feew, but the cost of the surveys were paid by the government. Provision was made for the sale of the remainder of the Seven Ranges, surveyed under the old Ordinance, at public auction in Philadelphia in quarter township lots.[1]

The actual working of the provisions of the Act of 1796 left many things to be desired. The administrative machinery was not well arranged, while the tracts offered for sale were beyond the reach of any but the well to do classes. Very few western settlers possessed twelve hundred and eighty dollars which was the amount necessary to secure the smallest sized lot. All sales prior to 1800 were made from the original Seven Ranges, as the surveys provided for by the Act of 1796 were not completed for several years.[2] The alternate townships which had been divided into sections and sold at Pittsburg were in considerable demand: about 43,446 acres were sold for which $100,427 was received. There seems to have been no demand for the quarter townships which were offered for sale at Philadelphia.[3] The sales made after 1796 were even less successful. In 1797 the total receipts were $83,540, in 1797 $11,963, in 1799 no land was sold, while in 1800 the receipts were only $443.75.[4] From these figures it is evident that the new law had proved far from successful, and that some changes were necessary if the desired revenue was to be secured.[5]

1 Statutes at Large, 1796, Ch. 29.
2 Public Lands, I: 74.
3 Ibid.
4 Donaldson, p. 17.
5 Donaldson, p. 202. The spirit of the Act of 1796 was to get revenue.

The report of the Secretary of the Treasury for 1797 gave three reasons for the poor receipts. The first was that the section lines had never been surveyed in the original seven ranges, hence it was impossible for a purchaser to determine exactly what lands were included in his purchase. This uncertainty prevented purchases as all the risk was assumed by the buyer. The general scarcity of money was assigned as another explanation for the poor sales. The third and most important reason suggested was that two dollars an acre was too high a price for the land.[1] The report proposed that the price be reduced or that the period of credit be extended to four years. No action was taken by the House on either of these suggestions.

Why the Price of Land was Raised to Two Dollars per acre

This brings up the interesting question of price. It is worth while to determine, if possible, what reasons or conditions caused Congress to value the land at two dollars an acre. The price fixed under the Ordinance of 1785 had been one dollar in certificates of public debt. Eighty-one cents an acre was the average amount charged for the land sold by special contract. As the market value of the certificates of debt was less than fifteen cents on the dollar, while they were received at their face value in payment for the land, the price of land in specie averaged about fifteen cents an acre. Hamilton had suggested twenty cents as a fair valuation. In 1791 the Lower House of Congress had agreed upon placing twenty-five cents in "hard money" as a proper price for the public lands. Yet

1 Public Lands, I: 74.

notwithstanding these facts, five years later Congress fixed the price of land at two dollars an acre.

The Congressional debates of 1796 reveal no serious opposition to the two dollar valuation. Even Rutherford does not appear to have opposed this figure, and Gallatin believed it none too high. A letter written by the latter in 1804 in answer to certain questions asked him by Mr. Nicholson of the Committee on Public Lands, is valuable for the light it throws on the question of price.[1] He says, "The reasons that influenced the legislature to put the price beyond the usual terms on which land had hitherto been granted in the several states was to prevent monopolies and large speculations." It was believed that the loss of interest on the capital invested in large speculative purchases would be so great as to be prohibitive; or at least to compel immediate resale to actual settlers.[2] The high charge would thus prevent engrossing, and allow the gradual distribution of the land as needed. This in turn Gallatin stated would "secure a permanent revenue to the Unio." A lower price might result in more sales, but it would use up a great deal more of the public domain. The receipts from the sales at the higher price, while fewer in number, would be greater in quantity and insure a steady revenue. This was the conservation of natural resources, but for purely financial reasons. It was further argued that cheap lands under the credit system would result in many creditors; the government would experience a great deal of difficulty

1 Public Lands, I: 183, The letter is dated January 2, 1804.
2 After twenty-three years of experience Mr. Morrow was forced to confess in 1819 that placing the price of lands at two dollars an acre had failed in its purpose of preventing monopoly and speculation. Public Lands, III: 413.

and expense in collecting the debt, and a body of creditors with interests hostile to the government would appear. The charge of two dioOars an acre would tend to limit the sales to those who could pay for the land and and avoid this difficulty. The limitation of "undue emigration" was assigned as another reason for placing the price of lands at two dollars. This was undoubtedly an important reason, for the great body of men who desired to move to the West were without the necessary capital, while those who possessed capital as a rule did not wish to face the hardships of the frontier.

An examination of the reasons assigned by Gallatin for the action of Congress shows the dominance of eastern interests. Of the various reasons mentioned only the first appealed to the western pioneer. The prevention of monopoly, speculation, and the engrossment of land were of great importance to the actual settler, and it was for this reason that no objection was made to the charge of two dollars. The other arguments advanced have a close connection with administrative and eastern interests. This is especially true of the limitation of emigration, as the eastern states were doing all in their power to prevent the westward emigration of their population.

On the other hand the strongest argument in favor of a lower price would seem to be the purpose for which the law was passed, the securing of revenue.[1] With this end in view it seems hardly reasonable that Congress should place the price of the public lands so much above the amount for which equally good land could be obtained from the various states. The members of Congress knew that the United States would be obliged to compete with the State lands

1 Annals, 1795-6, p. 331.

which were selling on the average at less than fifty cents an acre.[1] Under these conditions it is difficult to determine why the price was placed so high.

It further seems doubtful whether western land at this period was actually worth two dollars an acre when compared with the average figure at which land was sold in the eastern states. It must be remembered that the purchaser of western lands was obliged to pay the same price for the poor portions of his purchase as for the good. This view was held by the Committee on Public Lands, after a thorough investigation of the problem. Their report showed that the average price per acre of land in New Hampshire was $5.07, in Pennsylvania $5.09, in Maryland $3.77, in Virginia $1.48, while the average price in all the states, including the improvements in the eastern states was only $2.92. As a result of this study they came to the conclusion that if a revenue was sought from the sale of western lands it was necessary to lower the price.[2]

There is, however, still another possible explanation of the fact that Congress demanded two dollars an acre, and this is suggested in a speech made by Benton.[3] In brief his explanation and interpretation of the early history of the land sales is as follows: Under the provisions of the Ordinance of 1785 certificates of public debt were to be received in payment for purchases of land. This provision proved unsuccessful because the certificates of public debt were no longer in the hands of the soldiers or farmers to whom they originally belonged. Instead they were in the possession of a group of speculators who had purchased them at an average of two

1 Donaldson, p. 202; Public Lands, I: 183; Ibid., I: 909.
2 Public Lands, III: 300; Birkbeck's Letters, p. 86.
3 Cong. Debates, II: 720-22.

shillings and six pence per pound. Hamilton had previously pointed out that the low market value of these securities reduced the actual price of public land to twenty cents an acre. The men who desired to emigrate to the West were no longer in possession of the certificates and could not afford to purchase the land at the rate of a dollar in specie. The speculators on the other hand would not purchase the lands but relied upon their interest in Congress to fund their certificates at eight times what they had paid for them. The period from 1785 to 1789 was spent by Congress in endeavoring to pay the public debt with the public lands, while the holders of the certificates were endeavoring to have them funded at six per cent interest and secure a permanent income. Hamilton and Washington both had urged that the lands be used to reduce the principle of the debt, "instead of piddling along at the annual interest on the debt." The speculators in certificates argued that it represented a prodigal waste of the public lands to sell them at twenty cents an acre when by holding them a few years they would increase in value. They urged that it was much more economical to pay the annual interest until this should take place. It was claimed that the land would be monopolized by the rich, and the poor would be tenants forever. They secured the support of the East by showing that the low price would draw away their population. It was asserted that to lower the price to twenty cents an acre would be a great injustice to those who had paid one dollar. "By these arguments", said Benton in conclusion, "the mass of the people were deceived and imposed upon, and a powerful party in Congress in favor of converting two and six pence into the pound, obtained the complete ascendency over the policy of Washington and Hamilton. That party prevailed. They pre-

vented the sale of the land according to the recommendation of these great men. They procured twenty-five millions of their certificates --- certificates which had been got for a song from the people --- to be converted into national debt at twenty shillings on the pound and six per cent interest. To accomplish this purpose the price of land was raised to two dollars per acre in silver and gold, and the law which permitted evidences of debt in payment of land was repealed altogether. The people were unblushingly told that a national debt was a national blessing."

Whatever other quality this explanation of Benton's may possess it at least has the merit of interest, and uses the recognized facts in a very ingenious manner. It is undoubtedly true that the possessors of the funded debt joined their forces with those of the eastern interests to have the price of land placed at two dollars an acre. At the same time it seems that Benton attaches too much importance to this one factor. One is inclined to accept Gallatin's statements as the real reason for the demand on the part of Congress of two dollars an acre.

Act of 1800 In 1799 the first legislature of the Northwest territory met, and William H. Harrison was elected as their delegate to Congress. For the first time the settlers on the public domain had a representative in Congress. Harrison was appointed chairman of the House Committee on Public Lands and gave his attention to drafting and securing the passage of an act authorizing the sale of public lands in tracts of one-half section or three hundred and twenty acres.[1] Gallatin of Pennsylvania, Harrison,

1 Fordham's Personal Narrative, Note p. 102.

Nicholas of Virginia, and Harper of South Carolina, all spoke in favor of reducing the size of the lots for the encouragement of actual settlement. The old arguments against small lots were advanced and a compromise of large and small tracts resulted. An attempt was made by Clayborne of Tennessee to introduce the right of preemption for actual settlers who were heads of families. The proposal was lost largely because of the opposing influence of Gallatin and Jackson of Virginia, although seventeen votes were cast in favor of the plan.[1] The introduction of the four year credit system was a logical step from the credit of one year allowed under the law of 1796.

The new act was passed May 10, 1800, and was called an amendment to the Act of 1796.[2] In many particulars it followed the earlier law, but the details were much better worked out and it outlined the first complete system for the disposition of the public lands.[3] The act introduced the system of the sale of lands through officers called registers, whose offices were in well defined districts. Four land offices were established within the Northwest Territory, one at Cincinnati, one at Chillicothe, one at Marietta, and the other at Steubenville. These were the first district land offices established in the United States. The surveyor general was required to survey the townships west of the Muskingum into half section lots, while those east of the river were to be divided into section lots. The lands were advertised and offered at auction for three weeks; at the end of this period all land remaining unsold

1 Annals of Congress, X: 650-2.
2 Statutes at Large, May 18, 1800, Ch. 55; Donaldson, p. 201.
3 Donaldson, p. 203.

could be purchased in private sale at the minimum price of two dollars an acre. Payment could be made in specie or evidences of public debt. One-twentieth of the purchase was deposited at once. In forty days one-fourth of the sum was to be paid and four years were allowed for the three succeeding installments. Six per cent interest was charged on the last three payments from the date of sale, while eight per cent discount was allowed for the prepayment of these annual installments. Lands not paid for at the end of one year after the last payment became due were subject to forfeiture and resale after advertisement. Any surplus received was returned to the original owner. A special fee of six dollars a section was charged for surveying expenses; this, together with other special fees, required at least thirteen dollars a section, in addition to the regular price an acre.[1]

The act provided that a Receiver was to be appointed for each land office, whose duty it was to properly record all payments, and make returns every quarter to the Secretary of Treasury. He was paid in fees, receiving one per cent of all the funds he handled. The Register was also paid in fees, receiving all the special fees and one half per cent of all receipts recorded by him. Each officer was required to give a bond of ten thousand dollars.

Later Legislation This Act just outlined, with various amendments, remained in force down to 1820, but it applied only to the land northwest of the Ohio River. Up to 1800 no provision had been made for the sale of the land south of the

1 Fees: Surveying expenses, section $6.00, half section $3.00; application for entry, section $3.00, half section $2.00; Certificates and receipts each $.25; inspection of plats $.25; Patent fees, section $5.00, half section $4.00. This latter was abolished by Act of March 26, 1804. Donaldson, p. 212.

river. In the following year petitions were presented to Congress from the Mississippi Territory asking that land be opened to sale and preemption.[1] On March 3, 1803 Congress passed an act which established a land system for this region.[2] The land was to be divided into half section lots which could be purchased only with specie or United States bank notes, but no interest was charged on payments until due. A donation of six hundred and forty acres was given to all settlers residing in the teritory in 1797, and preemption rights to those residing in the country at the passage of the law. In the main provisions, however, the law was merely an extension of the Act of 1800.

Several of the changes in the land system established in the Mississippi Territory were desired by the purchasers in the North.[3] They petitioned for smaller sized tracts, the payment of interest only on installments due, and not from the period of sale. They further recommended that entry and patent fees be abolished, and that patents be secured from the local Register and not from Washington. All but the last of these requests were favored by Gallatin,[4] while Morrow of Ohio who had been assigned to the Committee on Public Lands, also presented the desires of the western settler.[5] As a result the act passed by Congress in 1804 for the disposal of lands in the Indian Territory incorporated these and other provisions.[6] By this act all public land north and south of

1 Annals, 1801-02, pp. 277, 422.
2 Statutes at Large, March 3, 1803, Ch. 27.
3 Public Lands, I: 163, Dec. 23, 1803. Petition from purchasers in Ohio.
4 Public Lands, I: 183, Jan. 2, 1804.
5 Ohio Arch. & Hist. Soc. Pub., XI: 199.
6 Statutes at Large, March 26, 1804, Ch. 35.

the Ohio was reduced to quarter section lots;[1] interest was not to be charged until after payment was due, but the failure to pay an installment when due caused the interest to be computed from the day of sale; all fees were abolished with the exception of certain charges for postage.[2] Land offices were established at Detroit, Vincennes, and Kaskaskia. The sixteenth section in each township was reserved for schools, and in each district a township was reserved for a seminary.

The provisions of this act were very important for the western settler. The reduction in the size of lots to one hundred and sixty acres, and the provision in reference to the payment of the interest charges were general in application and made a great deal of difference. Under the Act of 1800 the smallest sum for which a person could secure a tract of land from the government by a cash payment was $588.93. Under the new provision it was possible for a settler to secure one hundred and sixty acres for $262.40 in cash,[3] or at one dollar and sixty-four cents an acre. The purchaser on credit formerly paid $736.40, while if all payments were promptly made a quarter section could now be secured for $300.80; in the former case the first payment was $165.25, in the latter $80.00. These new terms placed the land within the reach of many settlers who

1 Receivers and Registers were allowed an additional commission of one-half per cent on funds passing through their hands and a salary of $500.00.
2 Public Lands, II: 439.
3 In addition there were certain surveying fees to be paid which depended upon the amount of work to be preformed. When the interest charges were included the eight per cent discount reduced the price of land to one dollar and eighty-four cents an acre. This was determined by reckoning the future payments at six per cent and deducting eight per cent per annum for the amount forestalled. Under this act the purchaser received the benefit of the deduction of the interest charges which reduced the land to one dollar and sixty-four cents.

found it impossible to purchase under the earlier provisions.

Eight hundred and seventy-five thousand square miles were added to the public domain by the purchase of Louisiana in 1803. Some system to govern the disposal of land in this new territory was necessary and accordingly in 1805 Congress extended the system provided in 1800, with certain changes.[1] A great many grants had been made under French and Sp anish authority, and the records were conflicting. Many of these grants were of a fraudulent nature and were made for speculative purposes.[2] In order to protect the public domain and strike the land grabbers, the law was made unusually severe. No donations or preemptions were made to actual settlers, and as a result many were left unprotected. The determination of these foreign grants occupied the attention of Congress and the various committees on public lands for many years, and was the cause of a great deal of special legislation.[3]

In 1817 in response to the constant demands for smaller sized tracts an act was passed providing for the sale of six sections of each township in eighty acre lots.[4] Even this small concession was strongly opposed by Meigs, the Commissioner of the Land Office, on the ground of the expense of the surveys, and that speculators would choose choice sections of land and secure the free use of the poor land surrounding.[5]

1 Statutes at Large, March 2, 1805, Ch. 26.
2 public Lands, I: 187, 193. Many of these grants were made between the time when the news of the cession reached America and the actual transfer of jurisdiction.
3 By far the greater part of many of the volumes on the American State Papers on public Lands are filled by the details of these investigations. A few general acts could have prevented much needless special legislation.
4 Statutes at Large, Feb. 22, 1817, Ch. 15.
5 public Lands, III: 277. The Section numbers were 2, 5, 20, 23, 30, 33.

The purpose of the last few pages has been to trace briefly the changes which were made in the Act of 1800. Its main provisions with these few modifications remained in force down to 1820. No mention has been made of the changes which especially modified the credit system provided for by that act. This subject is of so great importance as to deserve special study, and the purpose of the following chapter will be the consideration of the Credit System.

CHAPTER IV.

THE CREDIT SYSTEM.

The real importance of the public domain to the western settler began with the Act of 1800. Prior to that date the land system had little influence in attracting western immigrants, and it was the five year credit system provided that rendered the act effective. The introduction of this provision into the Act of 1800 appeared as the final step in a gradual advance of the idea. The Ordinance of 1785 insisted upon immediate payments for all purchases; in 1789 a credit of three months was allowed. In 1791 Hamilton favored the giving of credit on large purchases of over ten miles square, and the Act of 1796 had allowed a year's credit on all purchases. The following year there was an attempt made by the House to extend the one year period to four, but it was defeated.[1] Beside these earlier laws most of the states which were disposing of their lands had adopted the policy of giving credit.[2] Congress had also found it necessary to pass special laws extending the time of payment to purchasers of the Ohio and John Symmes Company.[3] Considering these facts, the action of Congress in 1800 is perfectly natural.

Unfortunately in the debates preceding the passage of the law, the credit system received little consideration, but in view of the earlier debates and legislation there can be little question that its object was to swell the receipts of the Treasury.[4]

1 Annals, 1796-97 p. 2209.
2 Pennsylvania, see Annals, 1789 p. 628; New York, Hildreth, Hist. of U. S.; Kentucky, Annals, 1792 p. 96, 2209.
3 Ohio Company, Donaldson, p. 197; John Symmes, Public Lands I: 75.
4 Pol. Sc. Quar., XIV: 445.

It was expected that the giving of a long period of credit would accomplish this result by attracting both the speculator and the settler. To the former it was a temptation to purchase beyond his capital in the hope that increasing land values would make the venture a successful one. On the other hand it was believed that the settler would invest his accumulated savings in the first payment and trust that he could meet the last payments from the returns from his land. As a payment of but fifty cents an acre was required, and five years were allowed in which to pay the remainder this often seemed plausible. Between 1800 and 1803 this first payment amounted to $165.25 as three hundred and twenty acre lots were the smallest that could be purchased.[1] With the sale of land in quarter section lots after 1804 the first installment was reduced to eighty dollars.

Notwithstanding the small amount of money required to make the first payment on a credit purchase, quite an inducement was offered toward cash payments by the eight per cent discount allowed. This reduced the price in cash from two dollars to one dollar and sixty-four cents an acre, and enabled a purchaser to secure a quarter section for $262.40.[2] If credit was accepted and all the payments promptly made so as to secure the discount, the same amount of land cost $300.80, a difference of $38.40 in favor of cash. On the other hand if the payments were not promptly met,

1 Of the sum $5.25 was paid for fees. These 320 acre tracts could only be secured west of the Muskingun. Settlers desiring smaller tracts east of the river could purchase them from the Ohio Company, in the Symmes tract, in the Virginia or National Military district and in the Connecticut Reserve, where they could probably secure better terms. Indeed it is barely possible that the above provision was introduced in the Act by those interested in the sale of lands by these companies.

2 Donaldson, The Public Domain p. 204.

the tract might cost $353.20, while if the land was not completely paid for at the end of five years it reverted to the United States along with all the improvements which had been made.

Certificates of public debt could be substituted for payments in specie, which further reduced the price per acre. These certificates varied in value from time to time, but were nearly always below par, and at this period averaged about seventy-five cents on the dollar. When secured at this price and presented in payment for land the cost on cash purchases was reduced from $1.64 to $1.14 an acre; if used in credit payments from $1.88 to $1.44. This means of payment was removed in 1806 when Congress passed an Act refusing to accept certificates of public debt in payment for land purchased after April 30, 1806.[1] Few appear to have taken advantage of the provision. The Annual Finance Reports show that in 1802 only ten per cent of the payments were made in certificates of public debt, in 1803 five and five-tenths per cent, 1804 two and eight-tenths per cent, in 1805 six and two-tenths per cent, and in 1806 seven-tenths of one per cent.[2]

Land Sales The first sales under the law of 1800 justified the expectations of the Treasury Department. Gallatin estimated that the annual income from land sales between 1802-1809 would average $500,000.[3] For the first three years when the payments consisted chiefly of the first installments,[4] the receipts of the treasury fell slightly below the estimate, but in 1804

1 Donaldson, p. 205; Annals, 16: 1291.
2 Treasury Reports, 1800-1806. The total value of the certificates received from 1797 to 1806 was $257,660. Public Lands, VI: 489.
3 Gallatin's Works, III: 157. Report on Finance, I: 221.
4 Public Lands, II: 730.

$431,030 was received from the sale of lands northwest of the Ohio.

Notwithstanding the liberal discount given on cash payments, the provision giving credit proved popular from the beginning. In 1801 about ninety-five per cent of the land was sold on credit, and in the following year ninety-two per cent.[1] In 1801 398,466 acres were sold for $834,887 of which amount $586,426 remained unpaid.[2] In 1802 340,010 acres were sold for $680,020, while $459,152 remained due. The following table shows the rapid increase of this debt.

Actual Working of the Land System North and South of the Ohio.[3]

Year	Acres Sold,	Price	Amt. received in Treasury	Balance due from Individuals	Forfeiture.
1801	398,646	$834,887	$167,726	$586,426	$1,100
1802	340,009	680,019	188,628	459,152	397
1803	181,068	398,161	165,675	1,092,390	245
1804	373,611	772,851	487,526	1,437,213	1,478
1805	619,266	1,235,955	540,193	2,094,306	1,040
1806	472,211	1,001,359	765,245	2,245,558	3,672
1807	359,011	738,273	466,163	2,275,529	3,987
1808	213,472	459,231	647,939	2,180,426	4,485
1809	231,044	550,655	442,252	2,186,187	14,529
1810	235,879	502,382	696,945	2,036,837	39,356
1811	288,930	614,324	1,040,273	1,970,913	70,696
1812	536,537	1,149,536	710,427	2,252,174	25,475

1 Public Lands, III: 420; VIII: 2.
2 American State Papers, Finance, I: 715.
3 Columns 1, 2 and 3, Public Lands, VIII: 2; Column 4, Public Lands, III: 420; Column 5, Pol. Sc. Quar., 14: 445; Column, 6, Public Lands, IV: 911.

Year	Acres Sold,	Price	Amt. received in Treasury	Balance due from Individuals	Forfeiture.
1813	270,241	$621,199	$835,655	$2,114,136	$79,382
1814	764,536	1,784,560	1,135,971	272,399	10,378
1815	1120,233	2,340,188	1,287,959	3,217,670	44,915

From 1802 to 1805 the debt doubled; in 1807 it was nearly five times as great as in the former year. Unfortunately the greater part of the burden rested upon those who were hopelessly in arrears. In Ohio in 1805 it was estimated that three-fourths of the arrearage was due from purchasers who had paid but one installment.[1] In the greater number of cases this loss fell upon the actual settler rather than the speculator. Purchasers of quarter rather than half or whole sections were most hopelessly in debt.[2] By 1805 it was estimated that two thousand heads of families in Ohio were public land debtors, and in 1812 the total number was estimated at from seven to ten thousand. The forfeitures increased from $397 in 1802 to $70,696 in 1811.[3]

The amount of land sold varied from year to year, but it is possible to group the years into periods of increasing or decreasing sales. They roughly correspond to periods of economic prosperity or depression.[4] There was a rapid increase in the land sales from 398,646 acres in 1801 to 619,266 acres in 1805, nearly double that of the earlier date. This, however, was the banner

1 Public Lands, I: 286; II: 730.
2 Public Lands, IV: 911.
3 McMaster states that the population moved westward in bad times and remained in the East when times were good. The land sales show the reverse of this and seem to cast some doubt upon the statement. As only a small proportion of the persons moving West at this period purchased land from the government, the facts are not conclusive and do not necessarily reveal a general toward western immigration in prosperous times.

year; for a number of years thereafter the sales decreased and it was not until 1814 that the record established in 1805 was passed. The increasing sales of this first period (1800-1805) are readily accounted for by the general prosperity of the country. The European wars which began with the contest between England and France in 1793 enabled American vessels to obtain a large part of the world's commerce,[1] and added immensely to the prosperity of the country. Between 1805-07 the value of domestic exports averaged $44,863,577.[2] In 1790 the value of exports was $4.84 for each inhabitant, while in 1800 it had increased to $11.68. Much the greater part of the domestic exports consisted of flour, wheat, corn and rye shipped principally to Spain.[3] As a result of this increased demand, the prices of agricultural products rose to a height unknown before; flour nearly doubled in price.[4] The wealth of the nation and individuals was increased many millions.[5] Money became plentiful and speculation resulted.[6]

These high prices and the general prosperity turned the attention of many to agriculture, and was an especial temptation to settlers of limited means to purchase land on credit and depend upon the produce of their farms to pay the debt.[7] Although this was possible under favorable conditions, that it was difficult to

1 Pitkin, Statistical View, p. 165.
2 Ibid, p. 166.
3 Ibid, quoted in Callender, p. 259.
4 In 1795 flour was $5.41 a barrel; in 1802 it was $9.12 a barrel, Ibid. Callender, p. 246.
5 Pitkin, Statistical View, p. 174.
6 Seybert, Statistical Annals, quoted in Callender, p. 247.
7 A memorial from the Legislature of Indiana Territory in 1814 says, "Many of the settlers have purchased their lands of the United States, and their last cent has, in many instances, been expended in making the first payment under the impression that by means of their industry the produce of those very lands together with the sale of the surplus stock would enable them to meet their respective balances as they would become due." Public Lands II: 888.

accomplish is shown by the rapidly increasing debt. With the declaration of the Continental system in 1806, the English Orders in Council, and the passage of the Embargo Act on December 22, 1807, and the consequent depression, their case became hopeless; some legislation in relief was necessary.

The effect of the Embargo was especially disastrous. With the stoppage of the commerce people were unable to export their products and prices fell, in many cases more than half. At the same time the price of foreign manufactures rose proportionately.[1] In speaking of this period Henry Adams says, "American produce, wheat, timber, tobacco, and rice dropped in value or became unsalable. Every imported article rose in price; wages stopped; swarms of debtors became bankrupt."[2] Exports of cotton fell from sixty-six million pounds in 1807 to twelve millions in 1808.[3]

Special Legislation The Western settlers suffered severely from these conditions. Mr. Blackledge in a speech in Congress stated that if the time of payment was not extended and if the law was enforced, three-fourths of the settlers in Ohio would lose their farms.[4] Numerous petitions came from the West asking Congress for an extension of credit. After a thorough examination, Mr. Marrow, as chairman of the House Committee on Public Lands, advised the extension because the general financial conditions made payment impossible, while the sale of the forfeited land at low prices would result in speculation.[5] Congress passed

1 Williams, Stateman's Manual, quoted in Callender p. 256.
2 Adams, Hist. Of U. S., IV: 277.
3 M. B. Hammond, "The Cotton Industry", p. 240.
4 Annals, 15: 1850, Blackledge came from North Carolina.
5 Public Lands, I: 909.

the desired legislation.[1] It was the first general extension of credit and allowed two additional years in which to pay the principal on purchases made before January 1, 1805, but provided that no extension should be given on the interest due.[2]

This legislation did not remove the cause and was only a temporary measure. In fact it seemed to intensify the trouble by leading purchasers to believe that Congress would not allow them to lose their land. The Non-intercourse Act of 1809 followed the repeal of the Embargo. Congress was again petitioned for an extension of time, which was granted. The Act was intended as a protection to actual settlers, consequently it applied only to tracts under six hundred and forty acres and required that the applicant should have resided on the land for one year.[3] In 1811 the Legislatures of both Indiana and Ohio petitioned Congress for another extension,[4] but the request was refused. The came the War of 1812, which, unfortunately, caught the crops of the interior unsold.[5] So serious was the condition of Western purchasers that both the House and Senate Committee on Public Lands advised an extension of credit.[6] Congress passed the relief requested.[7] The law provided that three additional years be allowed purchasers of tracts under six hundred and forty acres, northwest of the Ohio. The extension was to date from January 1, 1813.

The special relief measures of this period were undoubted-

1 Statutes at Large, March, 1809, Ch. II.
2 Special relief acts for purchasers in the Symmes tract had been passed in 1799 -- Donaldson p. 201.
3 Statutes at Large, April 30, 1810, Ch. 36.
4 Public Lands, II: 252.
5 Henry Adams, Hist. of U. S., IV: 282.
6 Public Lands, II: 256,439.
7 Statutes at Large, April 25, 1812, Ch. 77.

ly justified. The settlers had only taken advantage of the provisions which Congress had enacted, and it would have been decidedly unjust to make them suffer for the mistakes of that body.[1] Indeed conditions in many cases were such as to make it absolutely impossible for the purchaser to complete his payments. The frontiers were ravaged by the enemy, and many were obliged to leave their farms and live in block houses for securety. Men were often compelled to spend all their time in repelling invasions and in executing military laws,[2] consequently they lost their entire crops. The demands of the army had advanced prices of produce a trifle, but the demand was small, and there was a scarcity of money, while in the South there was no market for the cotton crop.[3]

The usual relief measure was passed by Congress in 1813, providing for a three year extension of credit on purchases made prior to April 1, 1809.[4] Now that the custom was started it became the regular practice of the debtors to flood Congress with petitions asking for relief, and that body almost annually passed a law extending the time of payment. In all some fifteen of these acts were passed prior to 1821. As a rule the extension was limited to tracts not over six hundred and forty acres, and was not allowed for more than three years.

The economic depression of the country between 1809 and 1814 seems to furnish an adequate explanation for the passage of the relief measures of that period. With the returning prosperity

1 Public Lands, II: 440.
2 Public Lands, II: 888. A petition from the people of Indiana relating conditions between 1811-14.
3 Public Lands, II: 256; I; 909; II: 730.
4 Statutes at Large, March 3, 1813, Ch. 43. This Act was passed at the suggestion of the House Committee. Public Lands, II: 730.

of the country at the close of the War, the need for special legislation does not appear so evident. Short crops abroad created a demand for American agricultural products. The exports of this class of produce in 1814 were valued at $2,179,000, in 1816 the value had risen to $13,150,000.[1] Prices for exports were high while English manufactures sold at low prices and on long credit.[2] As these conditions were especially favorable to the farmer, the fact the Congress still found it necessary to pass relief measures deserves consideration.

The action of Congress in passing these special acts, instead of abolishing the credit system, has been criticised by several writers.[3] Scarcely a year had passed since the introduction of the system in 1800 that some committee had not advised Congress to abolish it. Even when special legislation was urged it was usually connected with a recommendation to abolish credit and reduce the price of lands to one dollar and twenty-five cents an acre. A very serious objection to this last proposal was suggested by Ballatin in 1804,[4] which was that a greater amount of land would be required to secure the same revenue. Under the system in operation 200,000 acres would produce $400,000, while if the land was reduced to one dollar and twenty-five cents an acre it would require 320,000 acres to produce the same revenue, an additional annual loss of 120,000 acres. The old Revolutionary theory that lands should be considered as a source of revenue was still strong

1 Pitkin, Statistical View, p. 123.
2 E. L. Bogart, Econ. Hist. of U. S., p. 145.
3 (a) See Treat, p. 129. Treat in speaking of the relief measure says, "It is difficult to view with patience this relief measure."
(b) Emerick, Pol. Sci. Quar., 14: 448.
(c) Donaldson, p. 205.
4 Public Lands, I: 180.

in Congress. Randolph in the Committee on Ways and Means had expressed the fear that if the "present wise and salutary provisions relating to the sale of public lands be once relaxed lest that important branch of our public resources should be altogether dried up and lost."[1] Representatives of certain Eastern states were unwilling to see the price of land lowered or the tracts reduced in size. The stand taken by the people of the West is well illustrated by the fact that for many years the representative from the Green River district in Kentucky was compelled to pledge his constituents to secure the passage of special legislation in their favor.[2] All classes of purchasers were united in opposing the abolition of credit. Considering these facts and that the frontier regions at this time were well represented in Congress, the action of that body in steadily refusing to abolish the system is natural, although some question may be raised as to its wisdom.

The determination of the extent to which the necessities of the settlers justified the action of Congress presents a very complicated problem. Were the frontier conditions in prosperous times such as to render payment for the land difficult or nearly impossible? And further was this inability to pay due to the inherent economic conditions of frontier life or to over speculative risks resulting from the nature of the credit system itself? Perhaps the best method to answer these questions is to examine briefly the conditions under which the settler on the public domain was placed.

The majority of the land debtors were men who possessed

1 Public Lands, I: 284.
2 Annals, 1819 p. 447.

only enough capital to make the first payment on their quarter section, and had purchased trusting to make the remaining payments from the sale of the produce raised.[1] In view of this fact it seems but fair to examine the economic conditions which surrounded the frontier purchaser from this point of view, and endeavor to determine if possible the effect of the conditions on his ability to make his payments on the land purchased.[2]

WESTERN CONDITIONS

Hardships From the beginning the prospective purchaser of public land was confronted by many difficulties, and during the first few years these rarely decreased. First of all it was a difficult and expensive journey from the East across the mountains to one of the public land states, particularly unless the necessary provisions were carried along. In case a family purchased every thing as it proceeded, the expense of going from Philadelphia to Illinois, often amounted to over two hundred and fifty dollars.[3] At the end of the journey after a favorable location had been reached, and several desirable sections had been selected, the pioneer was compelled to under take an additional journey of from fifty to ninety miles to reach a public land office.[4]

1 Public Lands, I: 286; II: 730; II: 888.
2 This study has been chiefly confined to the states north of the Ohio, because the land sales during this period occurred principally in those states. The difficulty of settling the private land claims, and completing the surveys prevented the sale of land in Mississippi and Louisiana until 1818. Although land was sold in Alabama in 1807 it is from the Northern states that Congress received petitions requesting an extension of credit. This is expecially true of the period before 1818; after that year the disturbing influence of the Crisis of 1819 entered, affecting all the Western states, but particularly the Southern states.
3Flower's English Settlements in Edward's County, p. 302.
4 The public land offices were separated by distances of from seventy-five to one hundred and fifty miles. Public Lands, III: 534.

After arriving there he often found that the lots he had selected were already sold, and he was obliged to select a quarter section at hazard, perhaps securing a poor one. The first payment of eighty dollars was usually made at this time to avoid a long and taxing return journey.

The pioneer now found himself in possession of one hundred and sixty acres, which was the smallest tract that could be purchases. His entire capital was often used in the first payment,[1] and he faced the task of clearing the wild land, building a house, and cultivating and raising a crop sufficient to support himself and family and to meet the remaining payments on his land. Although one reads in the various contemporary books of travel, that a log cabin of two rooms could be built for from fifty to seventy-five dollars, a log kitchen from thirty to thirty-five, a stable and out buildings for forty, that a wagon cost one hundred and sixty, a cow twelve, and a team two hundred, care must be taken to avoid the conclusion that an immigrant must possess several hundred dollars.[2] The log house was often built without one cent of cash by the family or the neighbors aiding him by a "frolic", while if he did not possess a cow he did not purchase one.[3]

Unless the immigrant had reached his land in the early spring, he found it too late in the season to plant any crops, and he was obliged to depend upon whatever game he could secure, and the provisions he had brought with him. Little tea, coffee, or sugar was used by the frontiersman. As a substitute for these, tea

1 Public Lands, II: 888.
2 Sherriff, A Tour Through North America, p. 449; Faux, Memorable Days in America, p. 240; Thwaites XI; Flint, Letters from America, p. 139; Thwaites, IX.
3 Fearson, Sketches of America, p. 220. The pioneer usually possessed a wagon and team which he had used in moving to the West.

was made from sage, sassafras and sycamore chips, while maple sugar replaced cane sugar. Wild hogs furnished most of the meat. There was usually enough to eat, but there was little variety.[1] There were few mills in the early settlements and the corn was pounded into meal.[2] To take a sack of corn to the mill at a distance of from twelve to sixty miles required from two to ten days when labor was worth a dollar a day.[3] Buckskin and other skins were largely worn for clothing.[4] It was a hard lonely life, full of dangers, privations and hardships of every kind.[5]

Production The cost of hiring the land cleared depended upon whether it was wooded or prairie. It cost from ten to fifteen dollars an acre to clear wooded land in Indiana and Ohio, if the trees were all cut down and burnt or otherwise destroyed.[6] More often the land was cleared by grubbing up a few surface roots, cutting down a few large trees within three feet of the ground and girdling the rest. Those cut down were burnt.[7] In case the settler did not hire the land cleared, the most that he could hope to "tolerably" clear in a year by unremitting labor was a small tract of ten acres.[8] Considering all the expenses it cost

1 McLean Co. Hist. Soc., II: 492; Imlay's Kentucky, I: 117; Ind. Hist. Soc. Pub., II: 385.
2 Ind. Hist. Soc. Pub., II: 378.
3 Birkbeck - Notes on a Journey in America, p. 60. Enos Northup relates that he threshed twenty-two bushels of grain and started to a mill fifty miles distant. He used two yoke of oxen, in fording streams where the water was deep enough to come up into the wagon box, he cut poles and laid across the top of the box and placed the sacks on the poles. In all seventeen days was required for the journey when labor was worth a dollar a day.-See Mich. Pioneer Collections V:405.
4 Ind. Hist. Soc. Pub., II: 378; Imlay's Kentucky, I: 98.
5 Historic Illinois, p. 211 - Contains a good description of the rough frontier life.
6 Faux Jour., p. 179, 202, Thwaites XI.
7 Ibid p. 176; Wood's English Prairie, p. 209; Thwaites X.
8 The English Settlements in Illinois, p. 18; Flower's letter.

nearly as much to bring the prairie into cultivation; Faux estimated that it cost twenty-two dollars an acre to break the sod and erect the necessary buildings on a quarter section of prairie land in Illinois.[1] Although the manual labor required was less, it required a great deal more capital. From four to six horses and a special plow was needed to break the sod,[2] which involved an investment of nearly seven hundred dollars. When this work was hired the usual price charged for the first plowing was five dollars an acre, while from three to four dollars was charged for the second plowing.[3]

The tools used by the pioneer were few and primitive. If purchased in the East they would cost from twenty to sixty dollars, but in nearly all cases the farmer made his own agricultural implements.[4] The crotch of a tree with a tooth in front and four on each side was the harrow made and used in that day. The wooden mould plow was used for many years and there was a general reluctance among farmers to use the iron plow as they believed that it poisoned the ground.[5] Besides these an axe, hoe, spade and scythe were the chief tools used.[6]

As a rule a fair crop of corn could be raised on the forest land which had been cleared.[7] A great deal of difficulty, however,

1 Faux Jour., p. 110; Thwaites, XI.
2 Faux Jour., p. 256; Wood's English Prairie, p. 309. A work horse was worth $100 to $120; Flint, p. 139; Thwaites, IX.
3 Faux Jour., p. 256; Thwaites, XI.
4 Faux Jour., p. 241; Thwaites, Vol. XI; Flint, p. 122; Thwaites IX.
5 Centenial Hist. of Ohio, p. 10; Flint, p. 123; Thwaites IX.
6 Flint, p. 123.
7 The best land in Indiana in 1815 would raise 50 to 60 bushels of corn an acre; in Ohio in 1817, 60 to 100 bushels of corn, 22 bushels of wheat and thirty-five bushels of oats. The average yield was much less than this. Warden, North Amer., II: 267, 306; Fearson, Sketches of America, p. 223.

seems to have been experienced in getting the corn to ripen without molding.[1] At best a farmer working by himself could hardly hope to raise more than four hundred bushels of corn on the tract of ten acres cleared during the first year. In case the pioneer did not clear his own land but hired it done, two crops could be raised. An estimate made by a contemporary writer places the cost of clearing and cultivating an acre of timbered land in Indiana for two years at twenty dollars and seventy-five cents.[2] The crop for the first year is taken at thirty-five bushels of corn, and twenty-five bushels of wheat for the second year. At the average prices then current[3] this would leave an annual gross income of one dollar and twelve cents an acre to pay the costs of marketing, current expense[4], and the second payment on the land purchased. If we assume that the pioneer has preformed all the required labor, the first year would be used in clearing the land so that a crop could not be planted until the second year. The gross receipts from his corn crop, if all marketed, would yield one hundred and five dollars. From this he is obliged to meet the expenses of marketing his grain, general expenses of subsistence and pay the second installment on his land. This last item was $74.60 if promptly paid or $80.00 at six per cent interest if not.

The purchaser of prairie land experienced especial diffi-

1 Ind. Hist. Soc. Pub., I: 257; Letters of Ezra Ferris.
2 Faux Jour., p. 240.
Cost of clearing and planting for first year--$12.50 an acre.
Cost for the second year ---------- 8.25 an acre.
Total expense for two years ---------- 20.75 an acre.
3 Wheat 50 cents a bushel, corn 30 cents. Fordham, Personal Narrative, p. 118.
4 In the above estimate it is assumed that the farmer possesses a capital of two thousand dollars.

culty in securing an income from his land during the first few years of cultivation, as his crops during that period were rarely satisfactory. The first year's planting on the prairie sod did not yield a third of a crop, the next year's crop was better but it was not until the third year that the soil produced its full capacity.[1] If a good first crop was expected it was necessary to allow the ground to fallow during the summer.[2]

Sherriff in "A Tour Through North America" estimates the cost of the seed and all the expense of breaking and cultivating an acre of prairie land to be $10.02, for two years.[3] He assumes that the farmer performs the work himself, with only occasional assistance. The produce raised during the same period was valued at $14.34. This supposes a capital of several hundred dollars. Indeed settlement in a prairie country was practically impossible without a considerable investment of capital in horses or oxen and tools. Moreover settlers often found that three years passed before they could raise any surplus produce.[4]

Even when the crop was harvested it was difficult to prepare it for market. The wheat crop was threshed by flail or by horse. From eight to sixteen bushels a day were considered a high average for threshing with a flail. Where horses were used from

1 Flower's English Settlements in Edwards Co., p. 304, 313.
2 Faux Jour., p. 256; Flower tried to raise a crop on the sod and failed.
3 Sherriff, "A Tour Through North America" p. 44.
Expenses of cultivation for two years ----------$10.02 an acre.
Forty bushels of Indian corn @ 15c. ---------- 6.00 an acre.
Twenty-two and one half bushels of wheat @ 37½c.- 8.34 an acre.
Total value of produce raised in two years ------$14.34 an acre.
Gross income for two years ---------- 14.32 an acre.
The market prices given here although rather low were often lower. Sherriff estimated that the entire cost of purchasing an eighty acre farm at one dollar and twenty-five cents an acre, including all expenses for building and cultivation would be $609.00.
4 Flower, Settlements in Edwards Co., p. 313.

twenty-three to thirty bushels a day for three horses, a man and a boy were common.[1]

The high wages demanded by labor and the scarcity of farm hands compelled the majority of settlers to perform all their work without assistance.[2] In the frontier regions a dollar a day with board and lodging was the usual wages demanded, or one hundred and twenty dollars when hired by the year.[3] This often equaled the market price received from the sale of 800 to 1200 bushels of corn. As a result few hired work done. Neighbors exchanged or traded work, but cash payment was rare.[4]

Because of the expense of clearing and cultivation and the lack of market, a minority of really progressive farmers raised cattle and hogs as the price received from their sale was almost clear profit.[5] Squatters occasionally paid for their land by this means.[6] Cattle as far west as Illinois were raised for Baltimore and Philadelphia markets. At first the cattle were driven by the owners. This, however, proved very costly and troublesome, and in time the driving of cattle became a regular business. Men purchased the cattle and drove them to Ohio to fatten for the Eastern mar-

1 Brewer, Hist. of Ag., p. 140; McLean Hist. Soc. II: 624.
2 Public Lands, I; 69.
3 Flint, Letters from America, p. 139; Hulmes, Jour., p. 74; Palmer, Jour. of a Tour in N. America, p. 83; Warden, N. America, I: 367; Fearson, Sketch of Amer., p. 218.
4 Flint, Letters from Amer., p. 122; Birkbeck, Jour. from Va., to Ill., p. 36.
5 Birkbeck, Letters from Ill., p. 356; Flower English Settlement, p. 18.
6 Cases like the following were not rare.--A squatter in 1825 settled in Illinois with four or five sons for breeders, and in four years or less drove forty-two fat hogs to market and sold them for $135, with which he bought eighty acres ofland and paid his debts. Information for Emigrants, London 1848, p. 35.-Quoted in Boggess p. 144.

kets.[1] The sale of the cattle usually insured a farmer a clear profit of five dollars a head and sometimes more.[2] It is estimated that for many years from 15,000 to 16,000 head of cattle were driven through Ohio to the coast.[3] The driving of hogs to market was a more difficult matter as it was necessary to carry feed along for them where there were no settlements, and it was especially difficult to get the pigs across swollen streams.[4]

Markets In order for the settler to realize a profit from the sale of his surplus produce it was necessary for him to find markets where the products raised could be sold and money and other necessary commodities obtained. Otherwise bountiful harvests meant nothing more than a rude state of comfort where actual want was unknown, but did not enable him to complete the payments on his purchase of land. The chief reason why farmers had entered the cattle business was because it furnished the only way to market their crops.[5] One contemporary writer says "the markets are glutted ----and surplus produce is not desirable because unsalable and per-

1 Unless the cattle were sold outright it was necessary for the farmer to accompany his cattle to prevent being cheated. Faux Jour., p. 142; Thwaites XI. Cattle were driven from Illinois to Eastern Markets in 1818 - Warden, Stat. Pol. and Hist. Account of U. S., III: 62; Prairie farmer IX: 305--quoted in Pooley, Settlement of Ill., p. 549.

2 The English Settlements in Ill., p. 18; Faux Jour., p. 146; Thwaites XI.

3 Centenial Hist. of Ohio, p. 39.

4 McLean Co. Hist. Soc., II: 623. The drovers took along loads of corn when one load was fed out they would send the team back.

5 Faux Jour., p. 139; Thwaites XI. In 1818 Faux says, "there are no home markets and will be none until the population increases." There undoubeedly was a great deal of surplus produce raised. Lyons of Kentucky in a speech in Congress stated that in 1805 the West had a good crop and that Kentucky could have spared 500,000 bushels of corn if it could have been shipped.

ishable.[1] At first there were no produce buyers and the attempts at mercantile ventures were almost failures. In the rising towns a few buyers began to appear, but they possessed too small a capital to pay money even at the low price produce then obtained. They generally bought on credit, to pay on their return from New Orleans. In this way the farmers were at a disadvantage; if the markets were good the merchant made a handsom profit; if bad, they often had not enough to pay the farmer.[2]

The lack of capital among the settlers as a whole is well illustrated by the fact that whenever they were successful in marketing their crops, the grain was always sold in the fall, although they knew that prices would double before the next harvest.[3] This condition of affairs is explaimed by the fact that the farmers were indebted to the store keepers and were obliged to sell their produce at the earliest opportunity or be sued and lose the crop any way.[4]

To evade these difficulties,[5] the farmers began to build and operate their own flat boats.[6] This was an impossible task for the majority of the pioneers, for while selling one crop, the time lost prevented them from raising another.[7]

1 Faux Jour., p. 80; Thwaites XII; Andrew, Trade and Commerce,p.380.
2 Flower, Settlement in Edwards Co., p. 313.
3 Birkbeck, Notes on a Journey, p. 141: The storekeepers thus received as much for the crop clear of the expenses as the grower himself who did all the work.
4 Faux Jour., p. 236; Thwaites XI; Ibid p. 290.
5 Faux Jour., p. 151; Thwaites XI. Faux says: "Produce is surrenderedto enterprising men as they are called on the river, but who frequently prove to be theives; for if the boat is stave in or markets are bad or dull and there are no returns you may hear no more of either produce or boatmen."
6 Flower, Settlement in Edwards Co., p. 313.
7 This plan was possible when a farmer had several grown sons. -See Faux Jour. p. 151; Thwaites XI.

In spite of this condition of affairs many of the settlers found a market for their produce by selling to the immigrants passing through the locality. This was particularly easy if the farmer was located along one of the general routes of travel followed. Birkbeck in 1818 says, "Such is the influx of strangers into the state that the industry of the settlers is severely taxed to provide food for themselves and superfluity for new comers."[1]

Even when markets were available their value was greatly diminished by the low prices paid for all produce. Although this was advantageous to the immigrants it was very discouraging to the new settler who was endeavoring to pay for his land from the sale of his crop. "With corn at ten and twelve cents a bushel; pork two cents a pound, beef one and a half cents a pound, hiring labor would not pay and the farmer who worked for himself could not make any money."[2] Says one contemporary writer, "The best that any farmer could do was just not to starve."[3] F. A. Micheaux estimates that corn could not be raised as an article of commerce at less than eighteen pence a bushel;[4] the market price rarely reached that figure. Wheat ranged from thirty-five to seventy-five cents a bushel in the markets along the Ohio. Eggs were six and one-half

1 Birkbeck, Notes on a Journey in Amer., p. 91; Linton of Ohio stated in 1804 that the immigration was so great that there was scarce enough raised to supply the immediate wants. -See also Faux Jour., p. 205; Thwaites, XI; Imlay's Kentucky, I: 97.
2 Flower, English Settlement in Edwards Co., p. 278.
3 Ashe, Travels in Amer., p. 220:- "Indian corn was but twelve cents a bushel, wheat ground into flour brought but three dollars and that in goods for which one had little use."
4 F. A. Micheaux Travels, p. 125; Thwaites, III.

cents a dozen, while there was no market for the apples raised.[1]

The market prices in the Atlantic and Gulf ports were much higher than in the Interior. In 1817 the prices in the western part of Pennsylvania were only about half those in Philadelphia,[2] while the difference increased in Ohio and Indiana. Unfortunately the residents in these states were unable to take advantage of these higher prices in marketing their produce there, as the cost and difficulty of transporting them across the mountains were prohibitive.[3]

A considerable amount of flax and hemp in Ohio was packed on horses and sent across the mountains to the towns of Pennsylvania and Maryland, and they always found a market for their cattle at Philadelphia and Baltimore.[4] By far the greater proportion of the surplus products of the interior were sent down the Ohio and Miss-

1 Prices as a whole were very low, with certain exceptions. From ten to twenty-five cents was the average price of corn. For current price list in Ohio see Faux Jour., p. 179; Thwaites XI; Palmer Travels in N. Amer., p. 83, 443; Warden, N. America, II:260 Fearson, Sketches of Amer., p. 217; Hulmes Jour., p. 74; Thwaites X; Niles Register, XLIV: 36; Hodgson, N. Amer., II: 81. Centenial Hist. of Ohio, p. 10. Prices in Illinois: Ill. Hist. Soc. Pub., 1906 p. 526; Fordham Personal Narrative, P. 118; Fearson Sketches of Amer. p. 260; Birkbeck's Notes on a Jour., p. 143. Prices in Indiana; Thomas, Travels Thruugh the Western Country, p. 192; Warden, N. Amer., II: 308; Prices in Kentucky: Flint, p. 139; Thwaites IX; Imlay's Kentucky I: 149; Warden, N. Amer., II: 339.

2 In 1817 wheat and corn was worth sixty and thirty-three cents respectively, in Green and Fayette Counties, while in Philadelphia the prices were one dollar and twenty-nine cents and seventy-five cents. -Warden, N. Amer. II: 84.

3 This is well illustrated by the exportations from Bedford, Pa. in 1802. The distance between Bedford and Philadelphia is 200 miles, between Bedford and Baltimore 150 miles, and between Bedford and Pittsburg 100 miles. Yet in preference to carrying their produce an additional fifty or hundred miles to Baltimore or Philadelphia they carried it a hundred miles overland to Pittsburg and then 2,100 miles down the river to New Orleans. See F. A. Micheaux's Travels, p. 145; Thwaites III; Imlay's Kentucky, I: 245, says, "Bulky articles can be carried down the river, fifty per cent cheaper than a distance of sixty miles overland in Pennsylvania.

4 Imlay, Kentucky, I: 97.

issippi to New Orleans; From there the goods were shipped to the West Indies and other markets.[1] Flour, corn, beef, pork, wool, pearl ashes, fur distilled spirits, and other articles were sent down the river.[2] Although the prices in New Orleans were much higher than in the interior, they were not so high as the prices at the Atlantic ports. In some cases at least, this was due to the fact that there was not enough vessels visiting the Southern port to export the products.[3]

The high cost of all imported goods taken in connection with the low prices received for the products sold, added to the

1 Imlay, Kentucky, I: 245 says, "Goods can be sent from Ohio down the river to the West Indies cheaper and in better order than from New York and Philadephia to those islands." Warden, N. Amer., p. 276 says, "In 1819 the external trade of the western states passes thru the channel of the Ohio and Mississippi River to New Orleans with the exception of a small portion of the northern ports which find a market thru Lake Erie." Ibid, p. 309 says, In 1819 the external trade of Indiana was "very inconsiderable." Some little produce was sold at various Southern towns along the river, but this great demand for western products did not begin for several years. -Internal Commerce of the U. S., p. 191.

2 The following table gives the chief articles of commerce arriving at New Orleans, It is estimated that eighty per cent of the products came from the West, that is, from the Ohio and the Upper Mississippi, above the Ohio.

Articles	Quantity for 1810-11;	Quantity for 1816;	Quantity for 1818.
Beef	———	2,459 bbls.	5,142 bbls.
Pork	22,602 bbls.	9,725 bbls.	813 hogsheads
Bacon	1,008,026 lb.	1,350 cwt.	22,225 bbls.
Hogs	1,513	500	1,200 (cwt.
Lard	775,692 lb.	2,458 bbls.	412 bbls. 6,738
Flour	206,855 bbls.	97,414 bbls.	197,620 bbls.
Corn	79,795 bushels	13,775 bu.	145,200 bu.
Wheat	———	———	95,650 bu.
Cotton	———	37,371 bales	65,223 bales
Tobacco	3,891 hogsheads	8,200 "carrots"	8,642 hogsheads
Molasses	———	———	1,126,500 gal.
Whiskey	15,797 bbls.	320,000 gal.	256,610 gal.
Lumber	2,325,210 ft.	———	———
Hemp	1,050,492 cwt.	1,095 reels	———
Fowls	2,012,224 fowls	———	———

See Warden, N. Amer., II: 277; Internal Commerce of the U. S., p. 187-196.

3 Annals, 9th Cong. 1st Sess., p. 1049. Speech by Lyons of Kentucky. Welby's English Settlements, p. 237; Thwaites XII.

difficulties of the settler. A pound of tea cost from two to three dollars, a pound of coffee seventy-five cents, while the same quantity of sugar could rarely be secured for less than twenty cents. Calico cost forty cents a yard.[1] To secure a barrel of salt often meant an outlay of six barrels of flour and a weeks work for a man and team.[2] When corn sold at twenty-five cents a bushel, it required one hundred and forty-four bushels to purchase an imported English coat; while a pound of tea required twelve bushels of corn.[3] As a result but little goods were imported, nearly all the necessities of life were manufactured at home, substitutes for other articles were employed whenever possible, and many things were not used.[4]

Transportation There is probably no other single influence which had so large a part in determining the ability of the pioneer settler to pay for his land as the cost of transportation. This factor was doubly important as the sale of his surplus produce ultimately rested on foreign demand. This made the cost of transportation considerably greater, for not only the expense of marketing the products at the river ports, but the cost of the trip down the river and the final voyage to a foreign port were included. Indeed western settlers found that the expense of transportation in

1 Ill. Hist. Soc. Pub., 1806, p. 526; Prices in McLean Co. Ill.; Hulmes, Jour., p. 74; Thwaites, X; Imlay, Kentucky, I: 149; Welby's English Seeelements, p. 237; Thwaites, XII.
2 Centennial Hist. of Ohio, p. 10-12.
3 Flint, p. 135; Thwaites, IX.
4 Factory goods from New England and Kentucky reached Illinois in 1818 and domestic textile industry ceased. Reynold's Illinois, p. 44; Ind. Hist. Soc. Pub., II: 378; The few articles purchased were often secured from boat stores which were quite common and carried a fair stock of goods. -Cummings, Tour of the West, p. 116, Thwaites, IV.

connection with the value of their time often left little or no reward for their industry.

Perhaps the most difficult part of the problem was the transportation of the produce from the farm to the local market on the river. There were few roads of any kind and really good roads were entirely lacking. A majority of the settlements were connected by paths that were practical at most seasons for travellers on horseback, but in times of flood the suspension of travel by land was practically complets. There were no bridges and the roads were often filled with stumps.[1] In the western settlements the usual price charged for carrying a hundred pounds of freight a distance of twenty miles was fifty cents. It was sometimes higher but never lower. As a bushel of corn weighs from fifty to fifty-six pounds, it was usually unprofitable to market it if raised twenty miles distant from a market.[2] When the market was situated at a long distance from the settlement, the farmers often visited it but once a year. In many cases a number of neighbors would club together, load one or two wagons, hitch two or three yoke of oxen to each wagon and thus market their produce.[3]

1 McLean Co. Hist. Soc., II: 274; Flower's English Settlements in Edwards Co., p. 103; Boggess, Settlement of Ill., p. 137; Pooley, Settlement in Ill., p. 432. History of Rock Island County, p. 229. The importance of good roads is shown in a striking manner by the following figures: Upon a good macadamized road a horse can draw twenty-five times what he can carry as a load on his back, or on a tram-way one hundred and fifty pack loads. Thirty-five times as much force is required to move a goven load on a hard clay road as on a railroad. Gregory, Physical and Commercial Geog., p. 165.

2 Faux Jour., p. 290-1; Thwaites XI. Faux tells of a farmer who sold several loads of corn at thirty-three cents a bushel and carried it twelve miles to market. Forty bushels was a load for four horses. As it required two days to haul the two loads, the net receipts to the farmer was seventeen shillings for forty bushels.

3 Anderson, First Chapter of Norwegian Immigration, quoted in Pooley, p. 547.

The expense of overland transportation was very important to the frontier settler, as nearly all the importations from Europe and New England were carried across the mountains from Philadelphia and Baltimore.[1] The goods from the East were hauled in strong covered wagons holding from thirty-five to forty hundred weight. From four to six horses were used to haul each wagon. The freight charges from Philadelphia to Pittsburg averaged from seven to ten dollars per hundred weight,[2] while the charges for carrying a passenger the same distance was fifty dollars.[3] Freight charges between other points were correspondingly high.[4]

The high cost of land transportation compelled the western settlers to depend upon the cheaper form of water transportation. The streams became the only available means of communication. Settlements were seldom made at a distance of over twenty miles away from some stream.[5] A map of the early settlements in Ohio, Indiana and Illinois will make this fact at once evident. As practically all the exports of the West passed down the Mississippi River to New Orleans, the value of the receipts at that port were large considering the development of the country. In 1802 they were valued at $4,475, 364, in 1807 at $5,370,555, in 1815 their value had in-

1 Warden, N. Amer., II: 276; Internal Commerce of the U. S., p. 196.
2 Birkbeck, Notes on a Jour., p. 128; F. A. Micheaux, Travels, p. 157; Thwaites III; Fearson, Sketches of Amer.; p. 260; Harris Jour., p. 343; Thwaites, III.
3 Fordham, Personal Narrative, p. 117.
4 Kingdom, Amer. and British Colonies, p. 2--quoted in Boggess p. 162; F. A. Micheaux, p. 204; Thwaites, III. See other referenced quoted above.
5 Imlay, I; 109; Imlay gives an excellent discussion of the importance of the western streams to the settlers and shows how the settlements were situated along the rivers.

creased to $8,062,540, and in 1818 to $16,771, 711.[1] At least eighty per cent of these articles came from the Ohio and the Upper Mississippi above the Ohio.[2]

Before 1820 by far the greater proportion of the river tonnage was carried down the river in flat boats of about fifty tons burden which were sold on their arrival at New Orleans.[3] The journey down streem from the Falls of the Ohio to New Orleans usually required from twenty to forty days, while the return trip

1 The value of the produce received at New Orleans from the interior was as follows: In 1815-16, $9,749,253; in 1816-17, $8,773,379; in 1817-1818, $13,501,036; in 1818-1819, $16,771,711; in 1819-1820, $12,637,079; in 1820-21, $11,967,067. Internal Commerce of the U. S., 191. In 1819 the land purchases amounted to $17,681,794, nearly $5,000,000 dollars more than the receipts for all the produce sold in the West, with no allowance made for the cost of importations.

2 Internal Commerce of the U. S., p. 191.

3 Birkbeck, Letters from Ill., p. 133, says: "nine-tenths of the river trade is carried by flat boats and barges." In 1814, 598 flat boatsand 324 barges arrived at New Orleans, having a total tonnage of 88,350, while the total tonnage arriving at New Orleans was only 90,448 tons. By 1820 the tonnage of flat boats had fallen off and the steam-boats were in the lead by 1370 tons. -See Internal Commerce of U. S., 184-194.

There were many kinds of boats used on the river. The simplest wasthe log canoe. Pirogues were a larger kind of canoe and would carry from one to five tons. Skiffs were built of all sizes from five hundred to twenty thousand pounds burden. Batteaux or Kentucky boats varied from twenty to seventy-five feet in length and from ten to fourteen in breadth; they were usually sided, roo roofed and guided by hugh oars. New Orleans boats resembled Kentucky boats but were larger and stronger and had arched roofs. The largest could carry four hundred and fifty barrels of flour. Keel boats were long and slender in form and carried from fifteen to thirty tons. Their advantage lay in their small draft of watter and in the lightness of their construction. Besides these there were a number of anomalous water craft which belonged to no class. Schultz, Travels on an Inland Voyage, I: 129-132; Internal Commerce of U. S., p. 184-186.

At New Orleans the boatmen sold their produce for money and took in exchange cotton, indigo, raw sugar and other products of Louisiana, which they sent by sea to Philadelphia and Baltimore, and returned to pittsburg by land or in lighter boats. F. A. Micheaux, Travels, p. 157; Thwaites, III: Imlay, Kentucky, I: 105.

It cost one dollar to one twenty-five a foot to build a flat boat, and the boats usually sold at New Orleans for twenty-five dollars. -See Evans, Pedestrian Tour, p. 256; Thwaites, VIII.

whenever made required at least three months.[1] As a rule but few made the return journey, and the tonnage up the stream was barely ten per cent of that floating down.[2] The use of the steamboat resulted in a steady growth of the river traffic. The first steamboat on the river was built in 1811, by 1816 there were six steam boats in operation on the river, while in 1818 Flint states that there were thirty-one steamboats on the Ohio and Mississippi.[3] The average rate of a steamboat down stream was from seven to nine miles an hour, while the speed up stream rarely exceeded from three to five miles an hour.[4]

Very high freight rates were charged by all river craft. The average rates down stream from the Falls of the Ohio to New Orleans was three cents a pound, while the rates up stream were over six,[5] with proportional rates between various points.[6] The fare for passengers down stream was about thirty dollars and ninety for

1 When the flat boat or the keel boat was taken up stream "the propelling power was oars, sails, setting poles, the cordelle --- and bushwhacking or pulling up stream by the bushes." It was very tire-some work and required one oarsman for every 3000 pounds of freight. The boat usually carried a crew of from thirty to forty men and travelled at the rate of fifteen miles a day. Internal Commerce of the U. S., pp. 185-186.

2 Internal Commerce of the U. S., p. 185.

3 Flint, Letters from Amer., p. 286; Thwaites, IX; Internal Commerce of the U. S., p. 187-191; Mittalls Jour., p. 317; Thwaites, XIII, says: that between 1818-20 there were seventy-five steamboats which navigated the Mississippi River and its Tributary streams, but that over half the boats lay idle because of slack water.

4 Niles Register, XXV: 95.

5 Internal Commerce of U. S., p. 195.

6 For current rates see: Niles Register XXXI: 58; Faux Jour., p. 18; Thwaites, XII; Fearson's Sketches of Amer., p. 260; Fordham, Personal Narrative, p. 117; Hall, The West, pp. 13-30.

the return trip.[1] These rates made the river trade exceedingly profitable; seventy-five to one hundred per cent was considered a good profit.[2] The risks, however, were very great and it is estimated that twenty per cent of the tonnage was lost.[3] In addition the river traffic was very uncertain. Boatmen were often obliged to wait several months because of slack water. This was not only a disadvantage to those engaged in the river traffic, but to the shippers as well. Certain markets, and consequent steadiness and surety of income were often factors deciding the ability of the settler to pay for his land. Indeed this necessity for money to meet the annual installments on the land purchased was responsible for all the difficulties of the frontier conditions finding expression in the financial situation.

Financial Conditions There was a constant demand for money among the western settlers, especially for specie as that was the only form of currency accepted by the Land Office prior to 1812. In that year Treasury notes, and in 1816 bank notes, which were redeemable in legal currency on demand, were added to the list.[4] Unfortunately money of this character was difficult to obtain.[5] There was a great deal of worthless paper

1 Niles Register, XXX: 95; Fordham's Personal Narrative, p. 117; Internal Commerce of U. S., p. 195; Faux, p. 197, Thwaites, XI.
2 Evan's Pedestrian Tour, p. 256, Thwaites, VIII; Fordham's Personal Narrative, p. 121; Internal Commerce of U. S., p. 188.
3 Welby's English Settlements, p. 239; Thwaites, XII; Internal Commerce of the U. S., p. 191. This loss was due to snags, shifting channel, sand bars, etc.
4 Dewey, Financial Hist., p. 228.
5 Flower, English Settlements in Edwards County, p. 350. In 1816 there was only $8,000,000 of specie in the United States. In 1819 the total currency was about $45,000,000 or an average circulation of less than seven dollars for every inhabitant. Humbolt estimates that five dollars per inhabitant is necessary in a new country if only specie is used and a correspondingly larger amount if specie is scarce. See Elliot, Funding System, pp. 737,938.

money, and a few mutilated silver dollars circulating in the West, but in many parts of Indiana and Illinois, as late as 1820, furs were the only form of currency available.[1] Congress recognized that these conditions often made it impossible to secure money and several times recommended an extension of credit on that account.[2]

There were several reasons for this scarcity of currency other than the general conditions of production and exchange. As a rule farmers did not receive cash in payment for their produce when they sold to the local merchants, but were obliged to accept goods in exchange.[3] This made it very difficult for them to secure possession of money. Further, payments to the Land Office served to drain the country of whatever specie it possessed.[4] The special report on currency made by Secretary Crawford in 1820 describes the situation in the following words: "The greater part of the revenue accruing from the public lands as well as that collected in the Southern States upon imports have been transferred to the Middle and Eastern States to be expended. This arises from the fact that

1 Ford's Illinois, p. 43; Ind. Hist. Soc. Pub., II: 378; Sumner, Hist. of Banking, p. 58, 60, 92. Gillespie, Recollections of Early Illinois, p. 45; Gillespie relates that in 1829 he travelled one hundred miles in Illinois, without finding a person who could make change for a dollar. The specie was cut to prevent its being received by the banks and drawn out of the currency. -See Flint's Letters, p. 130; Thwaites, X.

2 Public Lands, I: 109; II: 256.

3 Thomas, Travels Through the Western Country, p. 192; F. A. Micheaux Travels, p. 205, 252; Thwaites, III: The Tradesmen usually insisted on cash payments for all produce purchased. Faux, Jour., p. 161; Thwaites, XI; Faux relates as typical the case of a man who worked for a month and received his wages in wheat. He was unable to market it, but had he succeeded he would have been obliged to sell at the merchants own price, and receive goods in payment, for which he had no use.

4 Public Lands, III: 414. In 1819 Mr. Marrow as chairman of the Senate Committee recognized that the payments into the Land Office drained the country of the product of four or five years labor; Gillespie, Recollections of Early Illinois, p. 45.

the great mass of public debt is held by those in the East or by foreigners whose agents reside there --- and the scarcity will continue until the public debt is extinguished.[1]

This constant drain of specie from the western states created an opportunity for the issue of paper to supply the monetary demands. Another factor leading to the same result was the prevalent idea that "the ability of a bank to circulate a greater sum than the amount of its stock in coin was an absolute increase[2] in capital." As a result the country was flooded with paper currency much of which was nearly worthless.[3] The Receiver of the Land Office might accept a bank note on one day and reject it the next.[4] This action of the government in giving lands for poor credit stimulated speculation.[5] Unfortunately, however, the bankers and capitalists received the speculative gains while the settler suffered the loss.[6]

In view of the preceding analysis of frontier conditions it seems safe to draw the conclusion that the average settler could

1 Quoted in Elliot's Funding System, p. 761.
2 Sumner, Hist. of Banking, p. 23. The circulation of bank notes in the U. S. in creased from $62,000,000 in 1813 to $99,000,000 in 1815, while the specie of the country decreased from eight to seven and a half millions during the same period. In 1819 the banks of Ohio were circulation $1,203,869 of notes on a specie basis of $433,612, while in Mississippi $275,447 of notes were based on $79,608 of specie. -See Elliot, Funding System, pp. 77, 736, 938.
3 The Bank of Marietta in Ohio, chartered in 1810, is an example of the early Western banks. Its charter did not contain a clause providing for specie payments, nor a penalty for suspension of payment. Alaw was not passed in Kentucky providing a penality for suspension of specie payments until 1817, and not in Illinois until 1818. The issuing of notes by private persons was not forbidden in Ohio and Indiana until 1815 and in Kentucky until 1817. -See Sumner, Hist. of Banking, pp. 59, 89-93.
4 Sumner, Hist. of Banking, p. 94.
5 Reynold's Illinois, p. 110.
6 Ashe, Travels in Amer., p. 52; Flint's Letters, p. 133, Thwaites, IX.

rarely hope to pay for his land from the sale of the produce raised on the same during the first five years. If he was fortunate enough to locate near a stream or route followed by immigrants his chances were better, but for the great majority of settlers located at some distance from a market, with the possibility of poor crops and sickness, their opportunities for succeeding were poor.[1] This was especially true as several years were necessary before the land could be properly cleared and the full returns from the soil received. For this reason every extension of credit proved beneficial to the struggling pioneer and better enabled him to complete his payments.

Land Sales and Speculation

Although the work of years usually added to the prosperity of the farmer, his chances for becoming wealthy by means of his own exertions were limited. There was, however, one avenue to riches and prosperity, the appreciation of land values. The steady rise in the values of land in the United States is well illustrated by the difference in the valuations made for the direct tax of 1798 and 1814. The second assessment showed an increase of nine hundred and eighty-three million dollars. Some idea of the rapid growth of land values in the West can be obtained from the fact that during this period the value of land in Kentucky increased $45,470,497 and in Tennessee $18,099,662. Making every

1 There appears to have been a great deal of sickness among the early settlers, especially those who located near rivers. The immigrant guides of the period notify prospective residents not to purchase near streams, if they desire to escape sickness. Yet such location was absolutely necessary to enable shipment of produce. The importance of locating near a market is shown by the land values. Land at a distance of five miles from a good market was often worth $20 to $40 an acre, at a distance of five to ten miles $10 to $20, and at a distance of ten to fifteen miles $5 to $10. Fearson, Sketches of Amer., p. 237.

allowance for mistakes the increase in the East was from seventy to one hundred per cent while it was much greater in the Western States.[1] The clearing and the cultivation of the land alone nearly always doubled its value, while the erection of a house and out buildings usually made the property three times as valuable as the uncleared land.[2] The same results followed the presence of a market. Farms located within five miles of a shipping point were worth four times as much as those at a distance of fifteen miles. The presence of a larger city made a even greater difference. In 1817 land near pittsburg sold at one hundred dollars an acre, while at a distance of five miles it was worth only about one fifth that amount.[3]

The principal reason for the steady appreciation of land values was the rush of immigrants to the West during the decade following the War of 1812. The Census of 1810 gave the population of Ohio as 230,760, of Indiana 24,520, of Illinois 12,282 and of Mississippi and Alabama as 40,372. According to the next census they had gained 152, 500, 349 and 410 per cent respectively.[4] During the period from 1810-20 the population of the states and territories organized out of the public domain increased from 671,804 to 1,653,147, an increase of nearly 250 per cent. During the decade ending 1820 seven states entered the Union.[5] This rapid settlement of the West made the increase of land values an assured fact. As a result the possession of land became the panacea for all the evils

1 pitkin, Statistical View, p. 365-9.
2 Hodgson, N. Amer., p. 81; Palmer, Jour. of Travels, pp. 83, 336. Warden, N. Amer., II; 214, 271.
3 Fearson, Sketches of Amer., pp. 70, 103, 160, 237.
4 U. S. Census, 1900, Vol. I. Part I, pp. XXII-XXV.
5 Niles Register, 1822, XVI:346.

of the frontier, and furnished the surest and practically the only road to wealth available to the western pioneer. Without this advantage the West had little to offer the average settler.

Unfortunately the very certainty of the rise in the value of lands, carried men into speculation. All classes of the population became possessed with a mania for land. Speculation furnished a most lucrative return to the professional land dealer who had sufficient capital to make the first payment on some favorable situation as the tracts could often be resold to immigrants at from three to five dollars an acre.[1] Groups of speculators went reconnoitering to select the best land, locations for mills and other local advantages, which were thus withdrawn from the market.[2] Birkbeck speaks of the land jobbers who traverse the country like a "pestilent blight where they see the promise of a thriving settlement from a cluster of entries being made in anyneighborhood, they purchase large tracts of the best land and lock it up in real mortmain, for it is the death of all improvement --- and tends to scatter the population, --- increasing the difficulty of the settlers manifold."[3]

The effects of these speculative purchases are very evident from a study of the land sales. The year 1814 witnessed a great increase in sales, as 86,453 acres were disposed of, 245,370 acres more than in any year since 1796. During the next five years the sales rapidly increased and in 1819 the mania for land was at its

1 Ashe, Travels in Amer., p. 90. Purchasing a tract of 10,000 acres at two dollars an acre and reselling for thirty was not unknown.
2 Flint, Letters from Amer., p. 129; Thwaites, IX; Hume, p. 45; Thwaites, XI.
3 Birkbeck, Letters from Illinois, p. 54.

height, 5,475, 648 acres being sold in that year.[1] More than two-thirds of all the land sold prior to June 30, 1820, was disposed of during the six years ending with 1819. The most remarkable increase of sales occurred in Alabama and Mississippi, where from 1816 to 1819 the average yearly sales amounted to 1,000,000 acres.[2]

With the enormous increase in the sales the nominal amount of purchase money due the government grew at a correspondingly rapid rate, though the actual receipts were only a part of this. Between 1800 and 1813 it amounted to an average of but $735,292. In 1814 it was $1,784,560. During the next four years it increased four hundred per cent and in 1819 amounted to $17,681,794. The increase was especially rapid between 1814 and 1819, and the purchase money received during this period equalled seventy-five per cnet of the sum due on all lands sold prior to 1820.[3] The increase was even more rapid in Mississippi and Alabama between 1815 and 1819.

The mania for land is well shown by the price paid per acre. Prior to 1818 land had only averaged two dollars and forty cents, but in 1819 it had increased to three dollars and sixteen cents an acre, while four dollars and fifty-one cents was the average price in Alabama and Mississippi. The high prices paid for cotton caused speculation to reach its height in the cotton lands of Alabama.[4] In 1818 lands sold at the Huntsville Land Office in Alabama at an average of seven dollars and seventy-eight cents an acre, while the land averaged six dollars and sixteen cents during

1 This was not surpassed until 1837. -See Public Lands, VIII: 2.
2 Public Lands, VIII: 2.
3 Ibid.
4 Levi Woodbury, Works, III: 248; Ex. Doc. 24th Cong. 1st Sess. No. 146.

the following year. Sales at ten dollars an acre were common. One hundred and twenty-seven dollars an acre for a section of land was not unknown, while as much as three thousand five hundred was offered for one lot.[1]

During this period of speculation the debt increased tremendously. During the four years ending in 1818 the debt due from individuals increased from $3,042,613 to $16,794,295.[2] Failure to pay became so common that the receipts consisted chiefly of the first installments on the annual sales.[3]

The credit system was in a large measure to blame for these conditions as the first payment gave the purchaser the use of the land for a period of five years. The credit system, however, was by no means entirely responsible for the land speculation of this period. This is shown by the fact that the speculative period of 1837 occurred after cash payments had been adopted. Indeed between 1818 and 1820 there were many circumstances which favored speculation. As we have seen not the least of these was the abundance of depreciated bank notes which in 1818 were nearly always accepted

1 The General Assembly of Alabama attributed the price to a frenzy among the bidders. Public Lands, VI: 142, 143. Speculation was rampant in St. Charles, Mo. Flint relates that a large tract was offered for sale and sold, the only limits or bounds given were that it was located thirty miles north of St. Louis. The same tract was often offered for sale by several claimants. One whole county containing one thousand inhabitants sold for $1,300. -See Flint's Recollections, p. 129. For other information see Niles Register, 1817, XIII; 62; State Papers, Finance, III: 287, 432; Public Lands, III: 555-8; IV: 805; V: 377-383. McMaster's Hist. of U. S., IV: 396.

2 State Papers, Finance, III: 718.

3 Public Lands, III: 419. The forfeitures were not correspondingly large because of the regular extension of credit. In 1814 the forfeitures were only $10,378, in 1818 it had only reached $33,886; in 1819 $45,932 and in 1820 but $11,011. -See Public Lands, IV: 911.

by the Land Offices, [1] while in Alabama and Mississippi and the Yazoo land script was also received.[2] The presence of this depreciated currency resulted for a short period in comparatively high prices for all produce.[3] This was especially true in Mississippi and Alabama where cotton sold at twenty-five to thirty dollars a hundred pounds, and other property at equally high rates.

Another factor tending to promote speculation was the method of selling land at auction to the highest bidder, instead of offering it at a fixed amount.[4] Competition among buyers forced the price to the utmost limit and under the excitement of the moment men made most extravagant offers.

The provision giving lands purchased on credit a five year exemption from taxation was a strong incentive to large speculative purchases, for even a nominal tax per acre would, in many cases, have meant an annual expenditure so great as to have prevent-

1 Public Lands, V: 377. In 1819 there was one and a half million dollars worth of bank notes in the Treasury which were not current. -See State Papers, Finance, III: 263.

2 The extensive use of this means of payment is well illustrated by the fact that during the four and a half years preceding June 30, 1820, over forty-four per cent of receipts in Alabama were made up of Yazoo land script. -See, Public Lands, II: 877-887; IV: 805; V: 377; VI: 10, 12, 52. McMaster Hist. of U. S., I: 311.

3 Public Lands, VI: 10.

4 The sale of land at a fixed price was objected to because the good land would be purchased and the poor left. The only other possible method was to have the price set by local officers acquainted with the tracts. But this was to expensive and too liable to fraud. As a result the auction system had been adopted.

ed the purchase.[1] By the Ordinance of 1787 State Governments were forbidden to tax the United States lands or to levy higher taxes on non-residnets than on actual settlers.[2] This did not include taxation of lands in the process of sale, and to avoid the difficulties which would naturally arise, Congress insisted on the exemption of property from State taxation until the owner had secured his patent. This provision was first enacted in the Enabling Act for Ohio.[3] The proposition in this Enabling Act became the models for those of later public land states.

As a result of these conditions and high prices paid for all produce, we have seen that the debt rapidly increased, and that by 1818 it had reached $16,794,295. This had occurred during a period of prosperity. It was inevitable that a crash would occur with hard times. In 1819 came the crisis. In 1818 the condition of the state and local banks led the Secretary of the Treasury to issue instructions to the Receivers of the Land Offices to accept nothing but specie and notes of specie paying banks.[4] This excluded hundreds of banks, and by making their issue less valuable, obliged them to close their doors.[5] The note circulation of $100,000,000 in

1 The state taxes in the West were very nominal averaging from sixty cents to two dollars per hundred acres of wild land, depending upon the quality. "Yet you would be astonished", says Fearson in his Sketches of America, "to witness the numerous lots of land which are sold in all states on account of the non-payment of taxes." Fearson, Sketches of Amer. p. 215. The newspapers contained lists of hundreds of defaulters whose property was to be transferred to the highest bidder. Two thousand two hundred and seventy-three acres were sold for back taxes amounting to $6.43. -See Buckingham, America, p. 375; Centenial Hist. of Ohio, p. 80; F. A. Micheaux, Travels, p. 198, Thwaites, III; Warden's N. Amer., I: 315; II: 372, 358.

2 Ordinance of 1787, Fourth Article.

3 Statutes at Large, April 30, 1802, Ch. 40.

4 State Papers, Finance, III: 263.

5 Niles Register, 1820, XVIII: 364.

1817 dwindled to $45,000,000 in 1819, and all the consequences of a diminishing currency resulted.[1] Prices fell to their lowest ebb.[2] Corn was worthless. Wheat sold at twenty cents a bushel in Pittsburg, and a barrel of flour was scarcely worth a dollar.[3] The price of cotton fell fifty per cent. The crop was increased and the price fell still lower.

The effect of these conditions upon the land debtors was disastrous. The reversions of land in 1819 for failure to pay amounted to 365,020 acres or two and five-tenths as much as for any preceding year.[4] In addition to the installments which fell due upon the sales of former years, the amount paid into the Treasury lacked $1,146,000 of the legal minimum due on the land sold for that year.[5] On January 1, 1820, the total sales were estimated at $44,563,254, and of this sum $21,799,562 were due from the purchasers: more than one-fifth of the national debt.[6] Fifty-two per cent of this rested upon the Alabama land, and this was $8,500,000 in excess of the debt for the same number of acres in the other states.[7]

Credit Abolished

The time was now ripe for the abolition of the credit system. As early as 1790, before the plan was adopted, Sedgwick of Massachusetts had pointed out the evils of the plan and foretold its disastrous consequences.[8] Gallatin in 1804 and 1806 had recommended that the credit system be

1 State Papers, Finance, III: 494.
2 Ibid., p. 718.
3 Sumner, Histroy of American Currency, p. 82.
4 Public Lands, III: 420.
5 Public Lands, VIII: 2.
6 Finance, III: 561; Public Lands, VIII: 2.
7 Public Lands, IV: 795, 805.
8 Annals, 1789-90. p. 1069.

abolished and cash sales adopted.[1] In 1806 the Committee on Ways and Means and the House Committee on Public Lands pointed out the increasing debt and urged that credit be abolished.[2] This recommendation was repeated by various committees in 1809, 1811, 1812 and 1819.[3] In support of the cash sales it was argued that the abolition of credit, (1) would unite the interests of the purchasers and the government, whereas the existence of the system tended to weaken their attachment; (2) that it would facilitate the collection of the money from the land sales; (3) stop special legislation; (4) prevent distress resulting from speculative purchases; (5) and avoid the difficulty and expense of ejecting the settler from his land and waiting for another purchaser.

The conditions resulting from the crisis of 1819 forced Congress to heed these repeated recommendations and take some decisive action. When in 1819 Mr. Morrow introduced a bill in the Senate providing that after July 1, 1820, all public lands should be sold in eighty acre lots for cash, at a minimum price of one dollar and twenty-five cents an acre, a general debate followed.[4] Several amendments providing for the liquidation of the debt were accepted, as it seems to have been the desire of Congress to use the opportune moment to abolish the system and trust to future

1 Public Lands, I: 183.
2 Ibid., I: 284. Committee on Ways and Means, 1806.
Ibid., I: 286. House Committee on Public Lands, 1806.
3 Ibid., I: 909. Senate Committee on Public Lands, 1809.
Ibid., II: 256. House " " " " 1811.
Ibid., II: 439. Senate " " " " 1811.
Ibid., II: 736. Senate " " " " 1812.
Ibid., III: 413. Senate " " " " 1819.
4 Annals, 1818-19. p. 241; Public Lands, III: 413.

legislation to complete the details.[1] The bill passed the Senate, the vote standing at thirty-one to seven, while the vote in the House stood one hundred and thirty-three to twenty-three.[2] The opposition came almost entirely from the West. The Trans-Alleghany States, however, were not a unit for the credit system, and the total vote of their Congressmen showed a majority of one in favor of the adoption of cash sales. Still western sentiment was opposed to the abolition of credit, and a petition was sent by the people of Indiana requesting Congress to retain the credit provision.[3] Sevaral western Congressmen who voted for cash sales felt called upon to justify their action.[4]

Relief Measures Although the Act of 1820 provided a better way for disposing of the public domain in the future, it did not afford relief to the purchasers and some provision for the liquidation of the debt was necessary. The task before Congress was to secure the largest amount of money with the smallest amount of forfeitures. Eleven acts were passed before this was accomplished. When Congress met in December, 1820, all agreed that some plan of relief was necessary, and the Western settlers seemed to desire some form of relinquishment. A bill was introduced into the Senate by the Committee on public Lands which offered the settler three alternative plans.[5] 1- It provided for the relinquishment of

1 An amendment was offered by Walker of Alabama allowing former purchasers voluntarily to give up their land for resale, and to receive the surplus over the minimum price, but not more than they had paid. Edwards of Illinois offered an amendment allowing actual settlers on quarter sections the right to purchase on credit. This was a continuation of the credit system.
2 Annals, 36: 1892-2578; Statutes at Large, Apr. 24, 1820, Ch. 1
3 Annals, 35: 360.
4 Annals, 36: 1883-1884.
5 Annals, 37: 133.

a part of the purchase money and the application of the payments already made to the land retained. 2- It allowed the payment of the amount due less a discount of thirty-seven and one-half cents, which was considered equivalent to the difference between the price of two dollars and one twenty-five an acre. 3- An extension of credit was allowed on the balances still due. Those who had made one payment were permitted to meet the balance in eight annual installments; those who had paid one-half, in six and those who had paid three-quarters, in four installments. Several amendments were offered but the bill was passed with few changes.[1]

This last provision unfortunately continued the evils of the past and necessitated a great deal of special legislation as further credit was allowed on nearly one-third of the debt. The relinquishment of part of the lands and the application of the surplus on that retained with the additional discount would have quickly liquidated the debt. Unfortunately the settlers did not desire to give up their lands, as the larger the quantity of land they were enabled to retain the wealthier they would ultimately become. Every one believed that with the return of good times the remaining payments could be easily made. It was to the interest of Congress to enact laws which were satisfactory to their constituents, especially since that body was responsible for the former legislation.

The results of the first relief measure were very satis-

1 Statutes at Large, March 2, 1821, Ch. 12. Several amendments were offered, one providing that patents be issued to those who had made three payments. Another desired that relief be extended to actual settlers, with the idea of discriminating against speculators. -See Annals, 1820-21, p. 22.

factory. By September 30, 1820 the debt was reduced to $11,957,430, nearly fifty per cent. In 1822 it was $10,572,378, but during the following year only $351,104 were paid. In 1821 a further credit of $6,740,358 was made on 3,588,558 acres, ninety per cent of which rested on land upon which but one-fourth of the purchase money had been paid.[1] With such an indebtedness, failures and reversions were inevitable, and some further action was necessary. In 1824 and 1826 Acts were passed which allowed those who had taken an extension of credit to accept either of the other plans of 1821. On September 30, 1827 the debt had been reduced to $4,305,365. Yet between 1821 and 1829 $741,290 were forfeited. Of these forfeitures seventy-five per cent were in Alabama and a larger part of the remainder occurred in Indiana and Illinois.[2] Various relief measures were passed to keep the forfeitures down to the minimum.[3]

In order to aid the purchasers who had accepted the extension of credit, and yet had been unable to pay for their lands, Congress passed the Acts of 1830 and 1831. The former act gave the title upon the payment of one dollar and twenty-five cents per acre in addition to what had been already paid. This act especially benefited the purchasers who had paid high prices for their land. The act of 1831 provided that purchasers at less than fourteen dollars an acre, were entitled to patents in all cases where one

1 Public Lands, III: 630, 645; IV: 795.
2 Public Lands, IV: 911; V: 3, 802; VI: 18.
3 Relief measures were passed on the following dates: March 2, 1821, Ch. 12; April 20, 1822, Ch. 30; March 3, 1823, Ch. 57; May 18, 1824, Ch. 88; May 26, 1824, Ch. 176; May 4, 1826, Ch. 34; March 21, 1828, Ch. 22; March 23, 1828, Ch. 71; March 31, 1830, Ch. 48; February 25, 1831, Ch. 34; July 9, 1832, Ch. 181.

dollar or a greater sum had been paid.[1]

As a result of these acts the debt of $21,213,350 was finally liquidated. Of this sum seventy per cent was settled by the relinquishment of 4,602,573 acres.[2] Nearly a third of this amount was given up in Alabama.[3] About fifteen per cent of the debt was liquidated by cash and discounts,[4] and the remainder through various arrangements and by forfeiture. Although a great deal of the relinquished land was repurchased at more than a dollar and a quarter, yet considering the original price for which the land sold under the credit system, the loss to the government amounted to $12,234,086.[5] Under the credit system the government sold 19,399,158 acres for $47,689,563, but owing to reversions and relinquishments it parted title with but 13,642,536 acres for which $27,900,379 were received.[6]

Conclusions From the preceding facts one may make some general observations on the credit system as a whole. The system had undoubtedly proved a failure. It had introduced antagonistic principles between the government and the citizen; engulfed thousands in a debt which it required twelve years to collect, besides an enormous amount of investigation and legislation; and finally it had promoted the speculation preceding the panic of 1819. In support of the credit policy one may safely say that it

1 Under the provisions of these two acts 311,306 acres which had been forfeited were redeemed at $468,100 an average of $1.50 per acre. -See Sen. Doc. 26th Cong. 2nd Sess. Vol. 3, No. 131, p. 4.
2 Public Lands, VI: 456.
3 Treat, p. 158, says three-fourth os the relinquishments occurred in Alabama, but that figure is too large, as but 1,842,535 acres were relinquished there from the total of 4,602,573 acres. -See Public Lands, VI: 456.
4 Public Lands VI: 456.
5 Donaldson p. 203.
6 Public Lands, p. __ VIII: 2.

was largely responsible for the rapid settlement of the West, and that it encouraged many poor settlers to purchase land who would otherwise have remained without it. A great majority of these settlers were enabled to retain their land, although years and special legislation were necessary to secure this end. Thousands were thus elevated from the rank of day labors to farmers and capitalists.

There were two principal arguments used in support of the credit system, one that it benefited the wealthy who purchased for speculation, and the other that it enabled the poor settler to secure a free hold; yet these were two antagonistic principles and it was difficult to secure both through the same legislation. This was recognized by Mr. Morrow in 1819, who says: "The idea of providing equal facility to the poor and the rich by any regulation is imcompatible with that of disposing of the land for a valuable consideration."[1] Thus the difficulties of this period are largely a result of the attempt to use the lands as a source of revenue. This end directly led to the conservation of the public domain for future sales, high prices and the sale of large tracts. The credit system followed as a natural corollary, or all the benefits were confined to the wealthy. To give up the credit system without lowering the price of lands was equivalent to excluding the poor settler from all hopes of securing a free hold. To merely reduce the size of the tracts was hardly sufficient, as it was difficult for the average settler, under the conditions of production and exchange to secure a

1 Public Lands, III: 414.

livelyhood from his one hundred and sixty acres. The East was opposed to reducing the price of lands, hence, in spite of its obvious disadvantages and the speculation that resulted, the credit system was retained as the only possible method. As long as the idea of revenue remained the paramount conception in the land legislation, the credit system offered the best opportunity to the poor settler.

CHAPTER V.

THE PUBLIC DOMAIN FROM 1820 TO 1841.

Effects of the Panic of 1819.

The ten years following the abolition of the credit system in 1820 were largely filled by Congress with the passage of various relief measures for the benefit of those who had made purchases during the period of speculation. This legislation was necessary, as the effects of the panic upon the value of property was disastrous. Hodgson in describing the conditions says, "The depression of real estate throughout the Union is perfectly astonishing, sales are occasionally forced at sacrifices almost incredible."[1] There were many instances in which property upon which three payments had been made was used to discharge the last installment. Lands that formally sold for thirty dollars an acre could be purchased for ten. Real estate as a whole fell from forty to fifty per cent in value.[2] The petitions requesting relief show that these conditions lasted for several years.

Unfortunately, the effects of the panic were not confined to purchasers under the credit system, but affected all classes. In 1820 the price of lands had been reduced from two dollars an acre to one and a quarter; yet the land sales did not show an immediate increase, on the contrary there was a more or less regular decrease for four years. From 1825 on, the sales show a normal rate of increase, but it was not until 1829 that they equalled the amount sold in 1815, the beginning of the speculative period which ended in the panic of 1819. The land sales increased from 1,120,233 acres in

1 Hodgson, North America, II: 27.
2 Ibid., p. 85,86.

1815 to 5,475,648 acres in 1819. In 1820 the sales decreased to 821,904 acres, or fifteen per cent of the amount sold during the previous year. In 1821, 781,213 acres were sold, in 1822, 801,226 acres; not until 1825 did the sales equal the amount sold in 1820. During the succeeding four years the sales steadly increased and in 1829, 1,244,860 acres were sold. From this date on the sales may be considered to have regained their normal conditions.[1]

An examination of the land sales in the various states reveals some interesting deviations from the general tendencies shown above. In Ohio the speculation preceding the panic had but little influence in increasing the land sales, which had reached their maximum amount in 1814, and continually decreased during the period of the panic; in 1818 they equalled but thirty per cent of the former amount. The years following 1820 show an almost immediate recovery from the worst effects, although the sales did not reach their former level until 1832.[2] These facts can be explained by remember- that the financial conditions in the state were fairly good, and a considerable amount of specie was present, consequently the crisis

1 The following table will show clearly these statements:

Public Land Sales and Receipts from 1821 to 1830.

Year	Quantity Sold	Amount paid.
1821	781,213	$1,169,224
1822	801,226	1,023,267
1823	653,319	850,136
1824	749,323	953,799
1825	893,461	1,205,068
1826	848,082	1,128,617
1827	926,727	1,318,105
1828	965,600	1,221,357
1829	1,244,860	1,572,863
1830	1,929,733	2,433,432

2 For the above and following statistics giving the annual land sales in each state see Ex. Doc. 30th Cong. 2nd Sess. Vol. 3 No. 12 p. 241. The figures given in the various reports vary to a considerable degree. It is impossible to tell which document contains the more exact data.

had but little effect.[1] The failure of the state to regain its former standard is due to the fact that the best lands had been secured by 1820 and it was chiefly due to the speculation of a later date that the more worthless land was drawn into the market.[2] Further, the population was not now increasing as rapidly as in previous decades.[3]

The crisis in Indiana seems to have had less effect in lowering the land sales than in any other state. The sales in 1821 exceeded those of 1818 by 73,774 acres. There was a slight decrease between 1823 and 1825, but in the latter year they reached 197,195 acres and continued to increase until 1838. Nearly fifty per cent more land was sold in Indiana between 1820 and 1830 than in any other state. This conditions may be explained by the rapid increase of the population during the decade.[4] The effects of the panic in Illinois the sales fell from 220,449 acres in 1818 to 27,264 acres in 1822, while the sales of the former year were not exceeded until 1830. The same slow recovery from the panic is evident in Missouri, Alabama and Mississippi.

Growth of Western Power

Although the effects of the panic can be traced in a decrease in the land sales, the western population during the period steadily increased. In part the large number of immigrants which passed into the West during this period was due to

1 This is shown by the fact that a majority of the settlers in Ohio, took advantage of the thirty-seven per cent discount provided for by the act of 1821 and paid cash. -See Public Lands, III: 630.
2 Ex. Doc. 30th Cong. 1st Sess. Vol. 6, Doc. 41; Public Lands, VIII: 885.
3 The population increased sixty-one per cent between 1820-1830.
4 U. S. Census, 1900, Vol. I Part I, pp. XXII-XXV. The population in Indiana increased 133 per cent between 1820-1830.

the natural advantages offered by the West and in part to the solicitation of the western states. Easy access[1] from the expensive land of the East[2] to the cheap fertile land of the West with its prospects of wealth from farming and pseculation all combined to attract settlers to the latter region.[3] States secured settlers by offering at low prices the lands which they had received in grants from Congress.[4] At a slightly later period this end was secured by the appointment of State Commissioners of Immigration, whose duty it was to publish and distribute literature describing the merits and best locations of public lands within their respective states.[5] Immigrant Societies collected information and aided immigration to the West, while thousands of immigrant guides were published and sold.[6] The result of these influences in the rapid increase of population in the West is evident from the following table.

Population of the Western states, with the percentages of gain and the number of representatives at each decade from 1820-40.[7]

State:	Pop. in: 1820	No. of: Rep.in: 1820	Pop. in: 1830	No. of: Rep.in: 1830	% increase in pop.: 1820-30:	Pop. in: 1840	No.of: Rep.in: 1840	% increase in pop. 1830-40
Ala.	127,901	3	309,527	5	142.0	590,756	7	90.9
Ark.	14,273	—	30,388	1	112.9	97,574	2	221.1

1 Andrew's Trade and Commerce, p. 55.
2 Niles Register, 59: 224.
3 The New York Tribune of September 15, 1845, says, less labor by half was needed, less capital invested and the average yield per acre more in the West than in the East.
4 Wisc. Hist. Soc. Pub., XII: 321. Land was sold at fifty cents an acre.
5 Ibid., p. 319; Michigan as a Province, Territory and State, Iv: 46.
6 Warden, N. Amer., II: 267.
7 Abstract of the Twelfth Census, pp. 30-36.

State	Pop. in 1820	No. of Rep. in 1820	Pop. in 1830	No. of Rep. in 1830	% increase in Pop. 1820-30	Pop. in 1840	No. of Rep. in 1840	% increase in pop. 1830-40
Fla.	___	__	34,730	__	___	54,477	1	56.9
Ill.	55,211	1	157,445	3	185.2	476,183	7	202.4
Ind.	147,178	3	343,031	7	133.1	685,866	10	99.9
Ky.	564,317	12	687,917	13	21.9	779,828	10	13.4
La.	153,407	3	215,739	3	40.6	352,411	4	63.4
Mich.	8,896	__	31,639	1	255.7	212,267	3	570.9
Miss.	75,448	1	136,621	2	81.1	375,651	4	175.0
Mo.	66,586	1	140,455	2	110.9	383,702	5	173.2
Ohio	581,434	14	937,903	19	61.3	1,519,467	21	62.0
Tenn.	422,823	9	681,904	13	61.3	829,210	11	21.6

The growth of the western population had an important effect upon the land legislation. The increase of their power in Congress enabled them to exert a tremendous influence in securing the enactment of liberal land laws. In 1820 the western and public land states of the South possessed a total of forty-seven Representatives, in 1830 sixty-nine, and in 1840 eighty-five. This vote in connection with that from the southern states constituted a power of great importance; for upon questions concerning the public lands these states usually voted as a unit.[1] The West during this period awoke to the realization of its political power. The "power of the people" was shown by the popular majority which Jackson received in 1824 and his election four years later. The idea of democracy be-

1 It is interesting to note in this connection that as the western states became more densely populated their sympathies with the eastern and central states became more pronounced, and they voted accordingly. Ohio often voted with the eastern states. In 1841 Indiana did not entirely support the preemption clause. The same tendency is seen in Wisconsin at a later date.

came the ruling passion.[1] With the growth of this feeling there came a revolt against the idea of holding the public domain for a source of revenue with its so called "system of the counting house." The importance of the individual and the settlement of the country was placed against the public domain as a fund.[2] The words of Benton in 1837, although perhaps over-confident, well expresses the feeling of western representatives in reference to the public land policy. He says: "The West will settle this question of the public lands just as it pleases. In three more years they will write their own terms and lay them on the table of the Senate. They will be bid for deeply by every candidate for the presidency."[3]

Fortunately for the interests of the West the government was rapidly becoming so wealthy that the land sales no longer constituted an important or necessary part of the federal revenue. From 1826 to 1835 there was an annual surplus of several millions. This excess was steadily applied to the payment of the debt. By 1827 the country had become so prosperous that visions of a surplus revenue exceeding the charges of the debt began to appear. Various schemes were suggested to make use of this surplus. In 1835 the national debt was paid off and the existence of a surplus was an assured fact. In that year a Committee estimated that it would amount to nine millions each year for eight years.[4] As one of the causes of the surplus was the revenue from the land sales it was a most natural consequence for Congress to consider some means of distributing the benefits of the public domain in a more liberal manner.

1 Van Holst, Constitutional Hist. of U. S., II: 3.
2 Cong. Debates, 1827, p. 645.
3 Ibid., p. 733.
4 Dewey, Financial Hist., pp. 170, 218.

Liberality of Congress

These facts largely explain the liberality of Congress during this period in its land legislation. One of the most important acts of generosity occurred in 1828. In the previous year the Committee on Public Lands presented statistics showing that land debtors had forfeited $560,000, for which they received nothing and lost their improvements. "In the majority of cases", stated the Committee, "these forfeitures have been incurred by actual settlers." As this sum equalled nearly two per cent of the total land sales they felt that some action was necessary and accordingly reported a bill.[1] The desired act as passed by Congress provided that in cases of forfeiture in which land had been purchased on credit and one payment made, certificates receivable for public lands were to be issued for all sums forfeited since 1787. Those who had taken advantage of the extension of credit in 1821 were not included in the benefits of the act, but in 1832 the act was extended to include all classes.[2]

This tendency on the part of Congress to a more liberal disposition of the public domain is shown by the large land grants and donations made for various purposes. On December 31, 1827, 8,815,839 acres had been granted to the various states for education and 8,474,473 acres for internal improvements.[3] Although these grants were made on the supposition that they would increase the value of the public domain and in the end repay Congress, yet with the passage of years the idea of securing a revenue had less influence.[4] Besides these grants, 6,065,239 acres were given during this

1Public Lands, V: 12.
2 Statutes at Large, May 23, 1828, Ch. 71. Ibid., July 9, 1832, Ch. 181.
3 Based on figures in Ex. Doc. 30th Cong. 1st. Sess. Vol. 6, No. 41, p. 269.
4 Sen. Repts. 30th Cong. 2nd Sess. Vol. I, Doc. No. 244, p. 4.

same period as a reward for services during the Revolution and the War of 1812.[1] It is chiefly in the special grants that the liberality of Congress is seen. Grants for special services, to encourage cultivation of the soil, for the relief of earthquake-sufferers, for court houses, jails, state capitals, and parks were common. Congress endeavored to consider the merits of each case and act accordingly. An example of the absurdity of some of the requests received is evident from the following petition from the Territory of Michigan asking for 92,160 acres to promote the cultivation of the mulberry tree and the production of silk. It was argued that such a donation would bind the interests of the Union together "as with a silken cord."[2] During the early period these petitions were almost uniformly denied. Soon Congress became less careful, claims which had been rejected by the land office was passed by Congress. "It seemed", said Martin of South Carolina, in discussing this tendency, "that the four quarters of the Union were striving with one another which could get the most out of these lands. The appetite for them appears to be insatiable and uncontrollable."[3] A better idea of these facts can be realized when it is stated that up to December 31, 1848, 144,140,377 acres of the public domain had been disposed of. Over thirty-five per cent of this amount consisted of donations, grants and reservations for which little or no remuneration was received; or, to state the situation in a slightly differerent manner, the unremunerative grants equalled fifty-two per cent

1 Sen. Repts. 30th Cong. 2nd Sess. Vol. I Doc. No. 244, p. 4.
2 Public Lands, VI: 268-9.
3 Cong. Debates, 1829-1830, p. 477.

of the land sales.[1]

This brief analysis of conditions reveals the explanation for the general tendency toward liberal land legislation. In order to understand the various proposals which were introduced for the disposal of the public domain, and the reasons that influenced the success and failure of each, it will be necessary to examine in some detail the territorial interests of the various sections of the Union. Only in this way can we determine whether the federal land system with its uniform methods for the disposal of the public domain was suited to the requirements of regions, whose interests and systems of production were different; and if not suited, the effect of the resulting dissatisfaction upon the land legislation. Moreover, such an analysis is necessary because the land policy is closely connected with the two great problems of slavery and the tariff. All three of these marked the diverging interests of three great sections, the West, the South and the East. From both political and economic reasons each of these is closely bound up with the others and with the policy of internal improvements. Thus a study of these conditions is necessary to understand the land legislation of the period.

Conditions in the North

Conditions in the northern states were eminently fitted for a system of diversified farming. The settlers were enterprising and able to adapt themselves to conditions giving the largest net returns. Although the climate enabled farmers to raise any of the principal cereal crops, there was a

1 Based on figures in Ex. Doc. 30th Cong. 1st Sess. Vol. 6, Doc. 41, p. 269.

tendency toward a too exclusive devotion to corn and wheat, especially the latter. Settlers as a rule were men of small means, who wished to raise a product which would yield the maximum returns with the minimum amount of labor and capital. With cheap fertile land and a sparse population this could best be secured by mere land skinning.[1] Every possible expense was spared and but little attention was given to improvement.[2] Under the existing conditions this formed the most profitable kind of farming.[3] This system of cultivation greatly increased the demand for public lands and resulted in a determined effort to secure the sale of the lands on the most liberal terms and prices.

Morthern agriculture was based on a system of extensive cultivation, yet it was not capitalistic or large sized production. This was a natural result following from the conditions in the North, the produce raised, and the nature of the land system itself. Down to 1820 the land legislation favored the capitalist, but with the lowering of the price of lands from two dollars to one dollar and twenty-five cents, and the reduction of the minimum sized tracts to eighty acres, a person possessing one hundred dollars could secure a farm.[4] In 1832, as a result of the numerous petitions received, the minimum size of tracts for actual settlers was reduced

1 Agricultural Reports, 1862, p. 66.
2 Fearson, Sketches of Amer., p. 220; Weld, Travels Through the States, pp. 91, 138, 158.
3 Eastern representatives argued that, since the western methods were wasteful the price of lands should be raised, and more scientific farming engaged in. The Cong. Globe, 1838, p. 546.
4 The speculation and large purchases in the North had the effect of increasing the size of the tracts held, but this effect was largely counteracted by the relinguishment of useless lands under the relief legislation passed after 1820. -See Public Lands, VI: 456.

to forty acres.[1] In 1846 the provision was made a general one applying to all purchases. This enabled the possessor of fifty dollars to secure a small farm and become an independent producer. The very ease with which this was accomplished kept wages high, for a laborer would seldom work for less than he could make by independent farming.[2] Farm laborers received from one hundred to one hundred and twenty dollars and board per year.[3] With wages at this amount large scale production with hired labor would not pay, while at the same time it tended to increase the number of small farms. A farm hand could secure forty acres by six months labor, or eighty by the work of a year.[4] Farms in the North were consequently small. The census of 1850 which gives the first definite figures, reports the average size of farms in Ohio as one hundred and twenty-five acres, in Indiana one hundred and thirty acres, in Illinois one hundred and fifty-eight acres and in Missouri one hundred and seventy-nine acres.[5]

1 Statutes at Large, April 5, 1832, Ch. 65.
Prior to this date the petitions for a reduction in the size of tracts were refused on the ground that the refuse land would be left unsold. -See Public Lands, III: 642. Cong. Debates, 1832, p. 1267.
In 1832 Indiana petioned the Senate for forty acre lots on the ground that it would induce settlement, multiply the resources of the country and enable the poor to secure a farm. -Public Lands, VI: 395.
2 Sherriff, A Tour Through North America, p. 397.
3 Ibid., p. 450. As compared with the prices of produce and land a year's labor was equivalent to either 667 bushels Indian corn, 222 bushels wheat or 5000 pounds beef. An ordinary mechanic obtained one dollar per day with board and washing. This for a year would average $260, or 1733 bushels of corn, 580 bushels of wheat or 13,000 pounds of beef. A better idea of the comparative height of wages can be obtained by comparing them with conditions in England. There a workman received for a year's work 70 bushels of wheat, 1560 pounds of beef or a tenth of an acre of good land.
5 Agricultural Reports, 1871, p. 56.

Conditions in the South

The South could raise the cereals equally well with the North, but they were not the most paying crop. The high prices paid for cotton, the almost unlimited foreign demand, and the great profit to be secured from its cultivation resulted in the almost exclusive devotion to that staple. Tobacco, rice and sugar were largely raised in certain localities.[1] In the South as in the North the existence of the cheap public lands made it impossible to hire white labor.[2] This difficulty was avoided by the use of slaves. The production of cotton was especially suited to the employment of slave labor. It provided steady employment throughout nearly the entire year, the slaves could be operated in gangs which were easily supervised; while the work was simple and the tools of such crude shape that they could be easily handled by the unskilled negro.[3] From the very nature of these facts large scale production, with a considerable capital invested in slaves became the dominant system used.[4] There was, however, a necessary requisite for the successful operation of the system, an almost unlimited supply of virgin land. This followed from the wasteful nature of slave labor, as there was no rotation of crops and in a few years the soil was exhausted and new land sought.[5]

Thus far it would seem that the land system was in perfect harmony with the interests of the South, as it furnished an unlimit-

1 The price of cotton ranged from ten to twenty cents a pound. The exports increased from 5,276 pounds in 1795 to 444,211,537 pounds in 1831. -See Pitkin, Statistical View, p. 109.
2 Doc. Hist. of Amer. Ind. Soc. II: 130.
3 Cairnes, The Slave Power, p. 30-45.
4 Hildreth, Despotism in Amer., p. 120.
5 Cairnes, The Slave power, p. 45; Weston, Progress of Slavery, p. 237; De Bow, Industrial Resources of the Southern and Western States, II: 111.

ed supply of cheap fertile land. There was, however, one fundamental factor in southern agriculture which the action of the land system tended to oppose, the large plantations. The use of slaves with their wasteful methods necessitated large holdings. It is estimated that a sugar plantation of less than fifteen thousand a acres was operated at a comparative loss. In 1827 the average size of southern plantations was 1200 acres. In 1850 the cotton plantations of Alabama and Mississippi ranged from four hundred to ten thousand acres, with an average of six hundred and seventy-five acres.[1] Large tracts with irregular boundaries, including the richest land with a frontage on some stream, were desired by the southern producer. The land system with its retangular surveys including waste lands favored small holdings and made no provisions for securing a river frontage. It was thus opposed to the best interests of the planter. Indeed the land system orginated in the North and was suited to the interests of that region. It had never been perfectly in accord with southern methods, and had steadily been objected to, Haynes having gone so far as to suggest a return to the old colonial system of indiscriminate location.[2]

A careful examination of the problem, however, shows that the public land policy in reality interfered but little with the plantation system in the South. In those localities where it did operate means were found to avoid its effects. A large part of the southern territory was never included in the public domain. Of the

1 Amer. Hist. Soc. Pub., 1898, p. 261.
2 Benton's Abridgement, X: 418 et. sq.

nominal 151,049,640 acres of this teritory but 96,048,921 acres were actually included in the public domain as the areas of Kentucky, Tennessee, with the reserves of Georgia and Florida, aggregating 54,999,719 acres, were either the public lands of the states or private lands of individuals.[1] The influence of this fact upon the resulting land system is important. It meant that the lands were disposed of by Spanish, French or State grants, and that their methods of settlement, in general irregular and expansive, were in direct conflict with the system and intent of the rules of the United States Land Office. Besides this there was a large body of land which was included in the public domain but was not sold under the federal system. In 1848 grants aggregating 6,790,787 acres had been made to southern states for various purposes.[2] This land was disposed of by the states in the manner best suited to their needs.

The public land system was in operation in the greater proportion of Alabama and Mississippi, yet even in these states conditions existed which tended to counteract the effects of the land system and perpetuate the large plantations of the South. This was by means of speculative combinations which enabled the capitalists to secure large tracts at the minimum price. The Commissioner of the Land Office as early as 1826 reported the existence of a combination "which in point of numbers, influence and capital put it beyond control". The report continues, "A corporation was formed with all the men of any tolerable capital and who were disposed to purchase land. Each deposited a given sum and became pledged to act

1 Donaldson, p. 151; Ex. Doc. 30th Cong. 2nd Sess. Doc. 12, p. 264.
2 Ex. Doc. 30th Cong. 1st Sess. Vol. 6, No. 41, p. 269.

in concert." The combination appears to have extended throughout Alabama and in parts of Mississippi. Little land was sold above the minimum rate although it was much more valuable.[1]

Beginning in 1834 an exhaustive investigation was made by the Land Office in reference to these fradulent combinations. There appears to have been a great deal of resistance to this inquiry by the officials and wealthy classes of the state.[2] From the report it appears that numbers of land companies with large capital and composed of the wealthiest classes were organized in Alabama, Mississippi, and Louisiana. They secured immense tracts of land worth from ten to fifteen dollars an acre at the minimum price. So strong were the organizations that their agents were able to dictate terms to the settlers, allowing them to purchase a quarter section at the minimum price on condition that they did not bid on any other land. Those who refused were compelled to bid against the large capital of the company. In one district the company opened an office near the register's office, where the land was resold in tracts to suit the interests of purchasers.[3]

It was impossible to prevent many settlers from securing small tracts of the most fertile land. The farmer, however, was at a disadvantage. Although he could make a good living from his tract by the use of free labor,[4] the large producer was able to employ his land more profitably and could afford to buy him out. All over the South a struggle took place between the small white farmer and

1 Public Lands, V: 376.
2 In one case an attempt was made to murder the official carrying on the investigation.
3 Public Lands, VII: 732.
4 Micheaux, Travels to the Westward of the Alleghany Mountains, pp. 294-5.

the slave owner for the possession of the best land. The victory of the latter class is well illustrated by the rapid increase of the negroes in Alabama and Mississippi between 1830 and 1840. In the former they increased from 118,000 to 255,000 and in the latter from 66,000 to 195,000. The farmer sold out to the planter and moved further west or located on the less fertile land in the foot hills.[1] These, together with the squatters who located on the poor lands, created a considerable demand for small tracts,[2] and decreased the average acreage of farms in Alabama and Mississippi in 1850 to 289 and 309 acres respectively.[3]

Unity of Interests between the West and South

The federal land policy was not as well adapted to the plantation system of the South as to the needs of the western states. Yet the very nature of the system tended to unite the two regions into a unified whole, so that it was to their interest to cooperate with one another. The use of slave labor on the plantations and the exclusive cultivation of some staple like cotton or sugar necessitated the purchase of the greater part of their agricultural supplies for themselves and slaves.[4]

1 Olmsted, Seaboard Slave States, p. 576. De Bow, Industrial Resources of the Southern and Western States, II: 107-110.
2 A petition was received from Alabama asking for preemption rights to twenty acre lots of waste lands.
3 Ag. Rept., 1871, p. 56.
4 Buckingham, Slave States of Amer., II: 203-204; Russell, North Amer.: Its Agriculture and Climate, p. 265. The Census of 1850 shows that little over a peck of wheat per inhabitant was raised in Alabama, Mississippi and Louisiana. The following clipping from the Gazette of Baton Rouge, La., clearly explains the situation: "For many years while our chief marketable product, cotton, bore a high price many of us were in the habit of raising that almost exclusively and depending upon supplies of bread and wheat from abroad (North), which the cotton crop had to pay for; a most pernicious practice which has impoverished the state by millions and been the means of many failures." -See Doc. Hist. of Amer. Ind. Soc. I: 299.

This was supplied from the surplus produce of the northern states, which was carried down the Mississippi and distributed at the various river ports and in the coast-wise trade. The receipts at New Orleans increased from $11,967,067 in 1820 to $49,822,115 in 1841.[1] At least fifty per cent of the total receipts came from the western states, while by far the larger per cent of the cereals and meat came from that region.[2] One can fairly estimate that of these latter products at least sixty per cent were consumed in the South.[3] The South afforded practically the only available market for western produce down to 1835 and the interests of the two regions were bound together by the strongest possible comercial ties. To quote the words of Christy in Cotton is King, "Slavery takes the products of the North and metamorphoses them into cotton that they may bear export."[4]

The Tariff Another direct consequence of the conditions of production in the South was the opposition of that region to the protective tariff. This was a natural result as they depended almost entirely upon foreign markets and were not interested in building up manufactures.[5] They argued that since their exportations paid for the annual importations the tariff on imports was in incidence a tax on exports, and that the South with a population of little over two million paid more than half the revenue.[5]

In reality the interests of the West were so closely bound

1 The increase is as follows: 1825, $20,446,320; 1830, $22,065,518; 1835, $39,237,762; 1840, $49,822,115. -See Internal Commerce Rept. p. 199.
2 Inter. Com. Rept., p. 197. This estimate is made for the year 1 1830.
3 This estimate is based on figures given in De Bow's Review, II: 143-147, upon receipts from the interior and the coast-wise trade in 1850-51.
4 Christy, Cotton is King, p. 163.
5 McDuffie's Speech of 1830, Callender, p. 514-17.

up with those of the South that they sould have united in support of the doctrine of free trade.[1] The West, however, realized the need of additional markets. Clay's home market argument led them to believe that these would be secured in the eastern cities through a high protective tariff.[2] Accordingly they supported that policy, but the promised markets failed to materialize. The boasted benefits of the Erie Canal and other routes transporting produce to the East were of little importance prior to 1835.[3] As time passed the West began to appreciate the importance of the southern demand and their enthusiasm for high protection weakened. In 1833 a majority of the western representatives favored the Compromise Tariff with its biennial reductions between 1834 and 1842 of all duties exceeding twenty per cent.[4] By 1846 the West had came to realize that

1 Christy, Cotton is King, Callender, p. 297.
2 Taussig, State Papers and Speeches on the Tariff, pp. 254-268.
3 Prior to 1835 the Erie Canal was most valuable to the West as a means of transporting immigrants and supplies. In that year the value of the products arriving at New York from the western states was less than one third the value going West from the tide-water. In 1838 the value of western products shipped to New York was $3,117,479, about one-seventh the amount shipped east from New York state alone. This compared to $19,000,000, the value of the western produce arriving at New Orleans, gives a fair idea of the relative importance of the two markets.
After 1835 the eastern markets began to gain rapidly. Chicago's exports increased from $1000 in 1836 to $228,635 in 1840, and $2,296,299 in 1847. In 1835 Ohio began to export bread stuffs and provisions; shipping 86,000 barrels of flour and 98,000 bushels of wheat. In that year 543,815 bushels of wheat were received on the lake, by 1840 it had increased to 3,800,000 bushels. The effect of these exports is at once evident by the increase of the shipments from the western states on the Erie Canal. In 1840 this had increased to 158,148 tons with a value of $11,375,506. The produce arriving at New Orleans from the western states at this time, however, was twice as valuable, amounting to $25,000,000, but by 1845 at least half the western produce was marketed in the East. -See Andrew's Trade and Commerce, pp. 55, 218; Internal Commerce, p. 202-210; New York Commission of 1899, p. 169.
4 Dewey, Financial Hist. of U. S., p. 187. In the House of Representatives the votes of the West was ten in favor of the tariff and eight opposed.

their interests were one with the South in opposition to protection. Western Congressmen did not hesitate to use these facts to secure the co-operation of the two regions. It was urged that the South was in duty bound to aid the western states in securing liberal land laws since the latter had aided them in procuring a reduction of the tariff.[1] This was not a difficult task, since both regions were agricultural and cheap lands were in great demand.

In this tendency they were opposed by the New England and Middle States. In the former manufacturing was the predominant interest by 1828, having increased in value one hundred and thirty-six per cent during the twenty years preceding.[2] The middle states were interested in manufactures, as the resulting business centers afforded them a market for their products. The distance to these were not so great as to make the cost of transportation prohibitive. Both regions were thus interested in the maintenance of an adequate labor supply and a high protective tariff. In this they were entirely opposed to a reduction in the price of lands as it would tend to attract laborers to the West and deplete the labor supply, while at the same time the revenue from the land sales might make the tariff receipts unnecessary.

Internal Improvements

Closely connected with the protection of domestic industries and forming a part of the American System was the policy of internal improvements. The very existence

1 Public Lands, VIII: 880. The older slave states shared in the benefits of the rapid extension of the cotton culture in the southwest since it furnished a market for their surplus slaves. Thus it was to their interest to secure liberal land laws.

2 Taussig, State Papers and Speeches on Tariff, p. 209. The East was practically forced into manufacturing as it had nothing to export in exchange for importations.

of the public domain, with the difficulty of transportation gave origin to the policy, and tended to perpetuate it. Better transportation facilities between the East and the West were favored by both regions. To the East it meant not only a western market for their manufactured products, but a supply of raw materials, and western agricultural products for consumption and export. This in turn involved the increased prosperity of New York, Baltimore, and Philadelphia in their commercial rivalry with New Orleans; a weakening of the band uniting the West and the South, and the strengthening of the protective principle.

The western states favored internal improvements for several reasons. First it promised to supply an adequate market to the western farmers for their agricultural products.[1] The prices paid in the western states rarely exceeded one-third of the price in eastern markets and often a sixth of the price in England.[2] Better transportation facilities would reduce the cost of marketing grain and enable them to take advantage of the higher prices. Under the conditions existing the production of grain was unprofitable as farmers were often compelled to haul their wheat two hundred and fifty miles to a market.[3] This difficulty in marketing their prod-

1 Public Lands, V: 447.
2 Niles Register, XXIX: 165; XXXI: 52. Prices in Illinois were very low. Corn fell from 37 cents in 1832 to 12½ cents a bushel in 1843. Wheat was much higher; ranging from 25 to 75 cents a bushel. In 1834 cattle sold for $4.00, while hogs sold for 21 cents a head.- See Prices in McLean Co., Ill.; ILL. Hist. Soc. Pub., 1906, p. 526. The prices of all western produce appears to have fallen nearly fifty per cent between 1820 and 1840. -See Sixteenth Annual Rept. of the Mass. Bureau of Statistics of Labor, p. 454, Boston, 1885.
3 The Census of 1860, p. XIII, reports that as late as 1860 wheat growing was unprofitable to western farmers on account of the cost of transportation. The Albany Argus of Oct. 11, 1841, states: "In 1841 nearly all the farmers in Illinois, Indiana and Wisconsin within a radius of two hundred and fifty miles carted their wheat to Chicago." Quoted in Pooley, Settlement of Illinois, p. 482.

ucts and the demand for better means of transportation arose primarily from purchase and settlement of public lands at a distance from the streams. In 1830 the settlements in Indiana, Illinois, and Missouri were located along the streams only. By 1840, however, the population had scattered over practically the entire surface of the states, in many cases at a great distance from a stream.[1] An additional reason for the interest of the West in internal improvements, was to secure the expenditure of federal funds within their limits, and thus compensate them for the steady drain of the money from the country through the land offices.[2]

The East and the West were both favorable to an extension of internal improvements by government aid. In this they were directly opposed by the South, which was covered by a network of rivers and did not need additional transportation facilities. Southern products also possessed a high value in a comparatively small bulk and could be marketed with little expense. Further, the North and the West with their congressional majority secured the lion's share of the federal patronage. In 1830 estimates had been made on some one hundred and forty-two different improvements; sixty of these were in the Northern states, forty-four in the West, and but thirty-eight in the South. The direct effect of this was to bolster up the protective policy. Indeed Haynes of South Carolina in 1830 went so far as to accuse Webster and New England of a deal with the West on internal improvements in order to capture the western vote for tariff.

1 Census of 1890, Population, pp. XXII-XXIV.
2 Gillespie, Recollections of Early Illinois, p. 45. He says, "When Genreal Jackson vetoed the Maysville Road Bill and announced that no improvement could be made above a 'port of entry', the legislature declared every creek a navigable stream and some village at its head a 'port of entry.'"

The construction of the early roads and later the canals required more capital than any bank or individual possessed. The federal government was the only body with sufficient resources to undertake the tasks. Besides, Congress possessed a direct incentive as better transportation facilities were certain to enhance the value of western lands and increase the revenue from the sales. When this could be accomplished by grants of land the gain was even more decided. The alternate sections, one on each side of the improvement were retained by the government and sold at two dollars and fifty cents an acre as the minimum.[1] Indeed the American system consisted in the employment of the receipts from the land sales in internal improvements while current revenue was provided by a protective tariff.[2] The plan finally failed because the western and southern states favored cheap lands and liberal grants, and their combined strength was great enough to break down the plan of using the lands as a source of revenue.

The federal aid for internal improvements took two principal forms, grants of money and lands. Of the former $13,386,000 had been granted down to 1845,[3] while the land grants in 1848 reached 8,474,473 acres worth at least $11,694,770.[4] Of this amount 251,365

1 Sen. Rept. 30th Cong. 2nd Sess. Vol. I, Doc. 244, p. 441.
2 Amer. Hist. Ass., 1893, p. 218.
3 The larger per cent of this amount was received by the western states from the five per cent of the land sales. This was granted to the states for internal improvements, in most cases as a part of the contract by which they agreed not to tax the public lands. The following are the Acts making these grants.
Ohio, April 30, 1802, and March 3, 1803; Louisiana, February 20, 1811; Indiana, April 19, 1816; Mississippi, March 1, 1817; Illinois, April 18, 1818; Alabama, March 2, 1819.
4 Ex. Doc. 30th Cong. 1st Sess. Vol. 6, Doc. 41, p. 269. The value is based on the average price for which land sold up to this period, $1.38 per acre.

acres were granted for the construction of roads,[1] and 4,054,669 acres for canals and improvements of rivers.[2] An additional 4,169,439 acres were granted to the western states by the Act of September 4, 1841, each state receiving land sufficient to make its total grants for internal improvements equal 500,000 acres. The total value of these grants and appropriation down to 1828 was about twenty-five million dollars.[3]

The panic of 1837 and the Land Sales

The success of the Erie and Pennsylvania Canals, and other internal improvements fired the imagination of the western people with the possiblilities resulting from better transportation facilities. When in 1830 Jackson vetoed the appropriation for the Maysville Road and put an end for a time to further federal aid, the western states took up the policy and a period of the wildest expenditure followed; the states becoming hopelessly in debt, although there was great apparent prosperity and wages and prices were high.[4] Men felt that the internal improve-

1 To Ohio 80,773 acres by Acts of Feb. 28, 1823 and Apr. 17, 1828.
To Indiana 170,582 acres by Act of Mar. 2, 1827.
To Florida 10 " " " " Mar. 3, 1835.
Total 251,365 acres.

2 Ohio 1,100,361 acres by Acts of May 24,1828, June 30, 1834.
Ind. 1,439,279 " " " " Mar.2,1827, Feb.27,1841,Mar.3,1845
Ill. 290,915 " " Act " Mar. 2, 1827.
Ala. 400,000 " " " " Mar. 23, 1828.
Wis. 498,036 " " Acts " Aug.8,1846,June18,1838,June15,1844
Iowa 325,078 " " Act " Aug. 8, 1846.
Total 4,053,669 acres.
The grants to Alabama and Iowa were for the improvement of rivers and to Wisconsin for rivers and canals.

3 The figures and estimate are based upon statistics fount in the Ex. Doc. 30th Cong. 2nd Sess. Vol. 3, Doc. 11, p. 258-263; Same Session, Sen. Rep. Vol. I, Coc. 244, p. 13-15.

4 In 1830 the state debts reached $16,470,417. In 1836 Webster estimated that $50,000,000 of European capital was invested in State securities. In 1838 he thought that not less than $100,000,000 had been used in internal improvements. -See Webster's Works, IX: 261; also Statesman's Man. II: 1244. Bogart, Economic Hist., p. 195.

ments were certain to raise land values. Every one was eager to secure possession of as much land as possible and share in the riches which were sure to result. Soon the country was in a land boom.[1] As the minimum price of public lands unless sold at auction, remained at one dollar and twenty-five cents an acre, the purchase of these lands seemed to present assured wealth,[2] especially since they could be purchased on credit. Large sums of foreign capital was invested in southern banks.[3] With the failure to renew the charter of the United States Bank in 1832 and the removal of the deposits, banks sprang up everywhere. The banking capital of the country increased from $110,000,000 in 1830 to $281,250,000 in 1836.[4]

1 Sumner, Hist. of Banking, p. 260.
2 It is interesting to note that the speculation at this period differed decidedly from that occurring in 1819, as practically all the land was sold at the minimum price of one dollar and twenty-five cents an acre. In 1834 the average price was $1.31 an acre, in 1835 it had dropped to $1.27 and in 1836 the year of the largest sales the average price was $1.25. (Ex. Doc. 25th Cong. 2nd Sess. Vol. 5, No. 80.) The force of the speculation expended itself in the purchase of a large number of acres and not in high prices as in 1819. This condition is explained by the fact that the most of the speculation occurred in lands which had been on sale for several years and did not come under the auction system but were purchased at the minimum price. The sale of land in Illinois which had been exposed for nineteen years increased over 800 per cent between 1835 and 1836. (Ex. Doc. 30th Cong. 1st Sess. Vol. 6, No. 41, pp. 60-192.) This was a natural consequence for the internal improvements were mostly made in settled regions and the unsold land in the locality was purchased with the expectation of its rapid increase in value. In this the speculators over estimated the expected rise and neglected to take into consideration that the competition of the government with its unlimited supplies of unsold land would prevent the resale of the land purchased.
3 Alabama, Louisiana, Mississippi, Arkansas and Florida borrowed more than $50,000,000. This was used for bank capital and loaned to planters who mortgaged their lands and slaves to secure cotton land. The high prices of cotton made this profitable. -See Von Holst, Const. Hist., II: 184.
4 Niles Register, 51: 162. It is estimated that between 1832 and 1837 the bank note circulation increased $80,000,000. -See Niles Register, 52: 89.

Money was plentiful and every one who could borrow bought public lands. The amount paid was redeposited in the bank by the land office.[1] The speculator could then return and by reporting the value of his land at several times the cost, secure an increased loan and repeat the operation.[2] Under this process the sales increased from $3,115,376 in 1832 to $6,099,985 in 1834, $15,999,804 in 1835 and in 1836 to the unparalleled amount of $25,167,833.[3] Money was withdrawn from business for investment in lands.[4]

This buble of speculation was burst by the 'specie circular' of July 11, 1836. This provided that after August fifteenth nothing but gold and silver and in special cases Virginia Land script could be received in payment for public lands.[5] This measure

1 This is on the supposition that the bank was one of the deposit banks. The total deposits in the State banks amounted to forty millions, of which twenty millions were in western banks. -See Bankers Magazine, 12: 397.

2 Niles Register, 51: 235; 50: 351.

3 In 1835 Jackson saw no danger in the rapidly increasing land sales, but only a sign of the prosperity of agriculture. -See Statesman's Man. II: 1007. In 1835 Sec. Woodbury reported great prosperity. In 1836 his annual report congratulated the country on possessing a gold circulation of seventy-three millions. -See Bankers' Magazine 12: 193. The country, however, was not without warning voices. -See Niles Register, 48: 168; 50; 113, 185, 134.

4 In 1837 Ford, in his History of Illinois, says, "Nothing was exported from Illinois, everything was paid for on borrowed capital." -See p. 196. Importations from abroad between 1833 to 1836 increased seventy-five per cent. This made necessary an exportation of coin to discharge the foreign indebtedness. -See Banker's Magazine, 12: 190 et. sq. For further references see Sumner, History of Banking, p. 264; Bourne, The Surplus Revenue of 1837, p. 75.

5 An exception was made in case of actual settlers who did not own over three hundred and twenty acres. To such persons the former indulgences were to granted until the fifteenth of December.

In 1828 a specie circular had been issued but as there was no speculation at the time but little notice was taken of it. -See Adam's Diary, VII: 427, quoted in Sumner, Hist. Of Banking, p. 262.

On June 1, 1838 a new letter of instructions was issued to the Receivers by the Secretary. This allowed them to accept bank notes of over twenty dollars of specie paying banks, which had not issued notes for less than five dollars since July 4, 1836. It is said that only four banks in New York could meet this requirement. Niles Register, 54: 225.

effectively stopped the purchase of land on credit, and in 1837 the receipts fell to $7,007,523.[1] With the fall of prices in 1837 and the panic of that year the land sales fell to $3,730,945 in 1838,[2] and continued to decrease until sales amounted to but $1,365,797 in 1841.

Conclusions In the preceding pages I have endeavored roughly to outline the general tendencies of the land legislation from 1820 to 1840, and to show how closely the land policy is connected with the other great questions of the period, slavery, tariff, and internal improvements. The existence of slavery and the resulting territorial division of labor made the interests of the western and southern states a unit for a liberal land system and tended to unite them in opposition to the East with its high protective policy. On the other hand the internal improvements tended to unite them in opposition to the East with its high protective policy. On the other hand the internal improvements tended

1 The following table gives the land sales and receipts from 1830 to 1841.

Year	Acres	Receipts
1831	2,777,856	$3,557,023
1832	2,462,342	3,115,376
1833	3,856,227	4,972,284
1834	4,658,218	6,099,985
1835	12,564,478	15,999,804
1836	20,074,870	25,167,833
1837	5,101,103	7,007,523
1838	3,414,907	3,730,945
1839	4,976,383	7,361,576
1840	2,236,890	3,411,881
1841	1,164,796	1,365,797

See Ex. Doc. 25th Cong. 3rd Sess. Vol. 4, No. 169, p. 12. For data from 1838 to 1841 -See Donaldson, p. 17.

2 Cotton fell from eighteen to four cents a pound in 1837. Consequently the southern planters were unable to pay for the supplies they had purchased from the North. There was an overthrow of the credit system and everything that depended upon it. -See Niles Register, 52: 114, 130; Sumner, Hist. of Banking, pp. 267-8; Bourne, The Surplus Revenue of 1837, p. 37.

to weaken this connection, and bind the East and the West more closely to the protective tariff and the American system. The various plans which were proposed for the disposal of the public domain are largely the resultant of these interacting interests.

The interesting question arises of the extent to which the actual settlers were interested in these plans, or whether they were satisfied with the system in operation. A careful study of the subject convinces me that the various measures were largely introduced and influenced by political motives. This was the period of state rights and nullification. Commonwealths were jealous of the growing power of the federal government and sought every pretext to limit its strength and increase their own. The existence of the public land within the boundry of the states was considered a special grievance and an infringement of sovereignity. Not a year passed that state legislatures did not petition Congress for some change in the disposal of the lands. A clear distinction can be drawn between these petitions, which were largely influenced by political motives, and the real wishes of the western settlers, who at least gave little sign of dissatisfaction with the system in use. On the contrary several petitions were received praying that it be continued.[1] The newspapers of the period record no protests on account of mass meetings held to decry the plan in use. "We can assert from an intimate knowledge of the western people", states Hall in his Notes on the Western States, "that a traveler may pass through the length and breadth of the new states without hearing the public land policy mentioned by the people in a tone of com-

1 Public Lands, V: 522.

plaint."[1] There undoubtedly were often local disturbances and a general desire for a preemption law, but, not considering this, the people at large seem to have been well satisfied.[2] Beside this last proposal, which arose from the needs of the settlers and the experience of the land office, there were three other principal plans introduced in Congress for the disposal of the public domain. On was the system of graduation, which planned a general reduction of the price of land in proportion to the length of time it had been on sale. This proposal was founded on a firm economic basis and in this respect was directly opposite to the suggested retro-cession of the public domain to the states in which it was located. As usual in the history of the land legislation a compromise was effected, which in this instance provided for the distribution of the proceeds from the land sales among the states.

These various plans were before Congress at nearly every session from 1825 to 1840. Their discussion formed one of the most important issues before that body, while the records of this discussion fills thousands of pages of the Congressional Debates. In order to understand the motives that gave rise to each it has seemed best to treat them as distinct units. In the following chapter I shall try to give the legislative history, the arguments for and against, and the reasons for the success or failure of each plan. They will be considered in the following order, graduation, retro-cession, distribution and preemption.

1 p. 201.
2 Thompson, Wheat Growing, p. 122.

CHAPTER VI.

LAND LEGISLATION FROM 1820 TO 1841.

GRADUATION AND REDUCTION OF PRICE.

Legislative History — Of all the various proposals that were introduced in Congress between 1820 and 1840 there was perhaps no other which was so satisfactory to all classes in the western and southern states, settlers, speculators and state legislators, as Benton's bill providing for the reduction and graduation of the price of public lands. The bill was based on sound economic grounds, namely, that it was unjust to charge the same price for all lands without respect to differences of value. There is no doubt that this was an objectionable practice but to find a remedy less objectionable was difficult. The early debates over the land system recognized that differences of soil and location caused considerable differences in value. They, however, adopted the auction system on the supposition that the competition for the best lands would result in their sale at amounts corresponding roughly to their value. To divide the land into classes varying in their actual value as well as in price was impracticable. Under such a system an inspection of each tract would be necessary and the expense of this would often exceed the value of the land. Further the persons appointed to make such a valuation would be numerous, and as there was no fixed standard of value, endless confusion would result. There would be differences of price without corresponding differences of value. In addition, speculation and fraud would be so easy that the disadvantages of the system were almost sure to out-

weigh the supposed advantages. In 1820 when Congress abolished the credit system, it reduced the minimum price of land from two dollars to one dollar and twenty-five cents an acre, but had retained the auction system as the only practicable solution of the difficulty. One other plan remained.

In 1824 Benton introduced a bill in the Senate which proposed to reduce periodically the price of the lands which had been culled.[1] Thus at the opening of a district the land would be sold at a dollar, at the expiration of another period another reduction would occur in price, and so on until the land which had been on sale from fifteen to twenty years and did not find a purchaser at twenty-five cents an acre was to be given to poor settlers as a homestead or ceded to the state in which it was located. It was supposed the choice lands would sell during the first period; and that during the second they would again be culled, and the best of those remaining unsold would be taken at the reduced price; and that in each successive period a portion would be sold until the whole would be disposed of at prices somewhat proportionate to their value.

The bill received little attention and was laid on the table without debate. It was regularly introduced in the following years by Benton, gaining adherents as time passed. Not until 1826 did the proposal receive any serious consideration. In that year Benton made a strong speech in favor of the suggested change,[2] and in the following year the measure first received the thorough de-

1 Annals, 1824, p. 482. The bill introduced by Benton provided that at five year intervals the price of unsold land should be reduced twenty-five cents an acre.
2 Cong. Debates, 1827-28, p. 2373.

bate its importance demanded. Backed by the votes of the western senators, and introduced by the Committee on Public Lands, the bill was thoroughly considered, the discussion taking up a large part of the session. Although it received the support of all the western states, the measure was finally defeated by a vote of twenty-five to twenty-one.[1]

In the same year a resolution in the House calling upon the Committee on Public Lands to investigate the question of reducing the price of lands was tabled without debate.[2] Indeed the proposal in the House seldom advanced beyond that stage, although it was introduced as frequently as in the Senate.[3] This is explained by the comparatively small proportion of western representatives. The Senate was the stronghold of the measure and it passed that body three times during the decade following 1830, due to Benton's efforts and the strength of the West in that body.

The measure continued to gain ground in the Senate. In 1828 Congress was for the first time in possession of definite sta-

1 Benton's Abridgement, VIII: 564 et. sq. Ohio, Illinois, Indiana, Alabama, Mississippi, Louisian, Tennessee and Kentucky voted solid for the measure, while Missouri, W. Virginia and Delaware were divided. -See Cong. Debates, 1827-28. The bill proposed to reduce the price of lands twenty-five cents every two years until the minimum price of twenty-five cents an acre was reached. Quarter sections were to be donated to actual settlers on condition of residing on and cultivating the land for five years. All refuse land which was not taken by this measure and remained unsold was to be ceded to the states. -See Public Lands, V: 447.

2 Cong. Debates, 1827-28, p. 2373.

3 1826- Annals, 1825-26, p.760. A resolution calling for information.
1826- Pub. Lands, V: 461. Report on overflow lands.
1828- Ibid., V: 447. Extended rept. by Com. on Pub. Lands.
1832- Benton's Abr., XII: 126. Com. on Pub. Lands requested to rept. graduation bill.
1833- Cong. Debates, 1833-4 p. 4522. Bill for graduation tabled.
1834- Ibid. 1834-5 p. 783. A resolution calling for graduation.
1835- A bil providing for graduation tabled. (ation.
1836- Pub. Lands, VIII: 330. Rept. by Com. on Pub. Lands on gradu-
1837- 25th Cong. 2nd Sess. Rept. Com. Vol. I Doc. No. 202. Report.

tistics showing the injustice of the system in operation. These showed that of the 83,110,873 acres unsold in 1828 over forty-one per cent or 34,278,000 acres were unfit for cultivation, while the value of all the land averaged but thirty cents an acre.[1] So important was the enactment of the measure considered that in spite of the fact that a large proportion of the time in 1830 was used in the debate over Foot's resolution and the constitutional questions that arose from it, the Senate found time to pass a bill for graduation, the vote standing twenty-four to twenty-two. No action was taken by the House.

The passage of the graduation bill in the Senate in 1830 marks the zenith of its popularity for a number of years. The Committee on Public Lands in 1832, 1833 and 1836 made long and exhaustive reports in favor of graduation.[2] President Jackson in his messages of 1832, 1833 and 1835 urged the consideration of the measure.[3] Yet in spite of these facts it did not again pass the Senate until 1838. This was due largely to a combination of circumstances, which temporarily lessened the popularity of the measure.

Between 1830 and 1835 the importance of devising some means to prevent the further accumulation of a surplus with a consequent reduction of the tariff, was so great as to outweigh the slight injustice in the land system which Benton's measure proposed to remedy. As Clay's bill for the distribution of the proceeds from the land sales accomplished this end it received primary atten-

1 Public Lands, VIII: 885.
2 Public Lands, VI: 481, 640; VIII: 877.
3 Public Lands, VIII: 330.

tion to the exclusion of Benton's proposal, until it was vetoed by President Jackson in 1833. The importance of the tariff controversy had also closed with the Compromise of 1833. In the meantime the problem of the surplus was rapidly becoming a fact demanding some legislation, if not for its prevention then for its disposal. This was accomplished by the Deposit Act of 1836, and the way seemed clear for the consideration of the bill for graduation. Another factor entered which postponed this for two more years. This was the tremendous speculation in lands which occurred at this time, and the consequent monopoly of lands in the hands of capitalists.[1] At such a time the idea of still further aiding the speculators by reducing the price of lands was unpopular, and it was not until the return of the normal sales of 1838 that events were favorable to the passage of a graduation bill.[2] It again passed the Senate in 1840 but in neither case did it receive much attention in the House. More than fourteen years passed before the principle for which Benton contended was finally enacted into law.[3] Not until 1854 did strength of the western states become sufficient to secure the desired legislation for which they had worked so many years.

Arguments for Graduation

After having briefly traced the legislative history of the measure we may now turn to an examination of the facts and arguments which were urged to secure its passage. The fundamental reason assigned as previously explained, was the fact that it was unjust to charge the same price for all land

1 Benton's Abridgement, XIII: 424.
2 Cong. Globe, 1838, p. 305. The vote stood 27 to 16.
3 Donaldson, p. 291. August 4, 1854. The period covered by this study closes in 1841, and hence I have been unable to complete the legislative history after that date.

no matter what the quality, whether waste or fertile. During the early period of the debate the existence in all of the states of large quantities of land which had been exposed for sale for years and remained unsold, was considered prima facie evidence that the land was not worth the minimum price demanded.

In 1828, as the result of a special investigation made by the Commissioner of public Lands, Congress was in possession of accurate information giving the average value of the unsold lands and the length of time they had been in the market.[1] From this report it appears that of the 83,110,873 acres unsold and subject to entry on the 30th of June, 1828, there were returned 34,278,000 acres unfit for cultivation, 5,614,000 acres first rate land, and the remainder, 43,218,000 acres inferior. The average price of the entire amount subject to entry, including all classes of land, was only thirty cents an acre. In Ohio 7,007,914 acres were unsold, half of it having been on sale for twenty years. Of this amount 2,000,000 acres was first class, while the average value of the whole amount was sixty-seven cents an acre. In Indiana of the ten millions unsold, one and one-half millions were returned as first rate; from forty cents to a dollar was the average worth of the land; and the length of time it had been exposed varied from two to twenty years. In Illinois one district was averaged at fifty cents, another at forty-eight, another at thirty, a fourth at twelve and a half cents, the average of the whole being fifty cents. In Missouri, the St. Louis district, which had been well picked by the French and Spanish grants, was valued at fifteen cents an acre. Of the

1 Public Lands, VIII: 885.

entire fourteen millions of acres unsold, 159,000 acres were first rate, and the average value of the whole was but twenty cents an acre. In Alabama three million acres in one district was placed at five cents an acre. Of the 13,613,000 acres of unsold land in the state but five per cent was first rate, and the average price of the whole but twenty cents an acre. Two districts of Louisiana returned their land as "nearly all" unfit for cultivation. Only four per cent of the land was returned as first rate.[1]

These facts show plainly the injustice of demanding one dollar and twenty-five cents for land, the average worth of which was but thirty cents. "Why hold at one unvarying price, lands so utterly different in value?", asks the Committee on Public Lands in 1836.[2] "As well might you fix the golden eagle and a fifty cent piece of silver at the same value because they were of the same size, as to fix a section of refuse land and a section of fresh land at the same price because their superficial extent was the same."

This refuse land continued to increase in quantity as the years passed. No special investigation was again made but the Senate Committee in 1836 estimated that of the 119,259,728 acres of land subject to entry at least 80,000,000 acres were not worth the minimum price and at least seventy-five per cent of this amount was unfit for cultivation.[3] Twenty per cent of the land unsold in the following year had been on sale for twenty years or more, thirty

1 Public Lands, VIII: 885; V: 527; VI: 483.
2 Public Lands, VIII: 884.
3 Public Lands, VIII: 884.

per cent between fifteen and twenty years, and twenty-eight per cent between one and ten years.[1] A great deal of the refuse land which had long been exposed for sale was purchased during the period of speculation between 1834 and 1837, but after that period there was but little demand for such land.[2]

Unfortunately, no reports were made describing the character of the waste lands as a whole. In 1826 an investigation was made by the Commissioner of Public Lands on the character of the "overflow" lands in Illinois and Missouri.[3] In these states 333,414 acres were considered unfit for cultivation. Twenty-six per cent of this was covered by ponds and lakes, and the remainder consisted of swamps, marshes, and overflowed land not fit for cultivation. Of the latter class the most conspicuous were the so-called "bottom lands". Part of this was capable of drainage and united the advantages of uncommon fertility, with accessibility to means of transportation, but, as pointed out by Carey, the most fertile land was not necessarily desired by the purchaser as it did not pay to invest capital in improvements. The overflowed lands in these states constituted but a small proportion of the total amount unfit for cultivation, some eleven million acres. Most of this consisted of rough, hilly, or sandy land. Prairie land at a distance from wood, was in many cases considered "unculturable" on account of the expense involved in its cultivation.[4] It is undoubtedly true

1 Ex. Doc. 25th Cong. 2nd Sess. Vol. V. Doc. No. 80.
2 Sen. Doc. 30th Cong. 1st Sess. Vol. VI. Doc. 41. In 1837 there were 16,280,673 acres of land which had been exposed for sale between ten and fifteen years. Four years later the amount which had been subject to entry from fifteen to twenty years was 22,011,127 acres. -See Ex. Doc. 25th Cong. 2nd Sess. Vol. 5, Doc. No. 80; Sen. Doc. 26th Cong. 2nd Sess. Vol. 2, Doc. No. 57.
3 Public Lands, IV: 887.
4 Public Lands, VIII: 384. Hall Notes on the Western States, p. 181.

that a large proportion of the land remained unsold from no intrinsic defect, but from the mere fact that its distance from a stream or market made if worthless.[1] The general conditions existing in these two states are a fair example of the situation in the other states, although in the South swamp land and pine barrens constituted the larger part of the poor land.

The chief arguments in favor of the reduction and graduation of the price of lands were based on the evils resulting from the presence of this waste and unsalable land. Its existence was a disadvantage to the federal government, the states, and the communities.

The federal government suffered a considerable financial loss from the large quantities of waste lands which remained unsold. It resulted not only in an unprofitable investment of capital, but an additional expense. It was frequently necessary to maintain land offices in districts where the land sales scarcely paid one-third the cost of maintaining the office.[2] The land offices at Marietta, Zanesville, and Steubensville had reached their maximum sales before 1816,[3] yet they were not discontinued until 1840.[4] In many cases the value of the land decreased as time passed. The settlers often obtained their lumber and wood from the unoccupied tracts in the neighborhood. Along the Mississippi this became a regular business, and squatters supplied the steamboats with timber cut from the gov-

1 McMaster, Hist. of U. S., IV, Ch. 33.
2 In 1829 the receipts in the New Orleans office were $400 and the expense $1026. -See Public Lands, VI: 158. This is especially striking since the expense of maintaining the land office as a whole equalled 72 per cent of the gross receipts. -See Public Lands, IV: 58.
3 Public Lands, III: 312, 532.
4 Sen. Doc. 26th Cong. 2nd Sess. Vol. XI, Doc. No. 61, p. 7.

ernment lands.[1]

The chief suffers from the presence of the waste lands were the states within whose boundaries the land was situated. Their dissatisfaction is shown by the numerous petitions, memorials, and legislative resolutions presented by them.[2] Petitions were received from every public land state but Ohio: Indiana, Illinois, Missouri and Alabama offered the largest number of complaints.[2] By 1828 the government had acquired 261,000,000 acres which was free from foreign and Indian titles. During the same period 19,000,000 acres of land were sold. Thus during the forty years of the land system only one-thirteenth of the quantity had been sold. The federal government retained control over all unsold land, hence the sovereignity of the states was exercised over about one thirteenth of their area.[3] In 1831 but 37 per cent of the public domain in Ohio had passed into private hands, and hence under state control; in Indiana 25 per cent; in Illinois 6 per cent; in Missouri 5 per cent; in Mississippi 5 per cent; in Louisiana 1 per cent in Florida 1 per cent.[4] With larger land sales these percentages increased, and by 1837 nearly 25 per cent of the public domain within the borders of the western states had passed under their control.[5]

These conditions meant, according to the view advanced by the legislatures of western states, that their sovereignity was limited to the small per cent of the land that had passed into pri-

1 Public Lands, V: 448.
2 Public Lands, IV: 529, 429, 148, 887; V: 522.
" " VI: 606, 638, 612, 939; VII: 658, 586.
3 Ibid., V: 448.
4 Public Lands, VI: 634.
5 Ex. Doc. 25th Cong. 2nd Sess. Vol. 5, Doc. No. 80.

vate possession.[1] It meant that the taxes for the support of the entire government were paid by a proportionately smaller percentage of the population. This resulted from the fact that the states were not allowed to tax the lands until five years after their sale. This was a contract to which the states had agreed upon receiving school lands, and five per cent of the land sales for internal improvements. Still it was a hardship, especially since the abolition of the credit system made the exemption unnecessary.[2] Under these conditions it was diddicult for the state to properly carry on the various functions of government, and it was natural that objections should arise.

The effect of the waste and unoccupied lands upon the community was equally bad. It resulted in an unnecessary dispersion of the population. The very existence of the public domain, with its cheap fertile land was favorable to this tendency and the evils were clearly seen.[3] The seriousness of the tendency was increased by the presence of millions of acres of waste land remaining unsettled for decades. Neighborhoods were separated, roads made impossible, the advantages of settlement retarded, while the difficulties of frontier life were retained. In many instances the waste lands became a source of sickness and disease.[4] In nearly all cases it was a desolate region producing nothing to better the community and a detriment to its development.

1 Senate Jour. of Ill., 1830-31, pp. 8-51.
2 petitions from the states were received requesting the right to tax the land immediately upon its sale. The question was frequently discussed in Congress, but no action was taken until 1847, when the states were given the right. Michigan and Arkansas possessed the right sooner as no restriction upon their taxing power was placed in their enabling acts.
3 Wakefield, England and America, pp. 195-6; Martineau, Society in America, I: 162-163, 339-341.
4 Ex. Doc. 30th Cong. 2nd Sess. Vol. I, Doc. No. 12.

These conditions it was argued were largely if not entirely a result of demanding a great deal more for the land than it was worth. To lower the price to correspond with the value would result in its speedy sale. Farmers would purchase neighboring tracts, while the poor settler who was unable to pay the maximum price could secure a farm of the poorer land, or receive a patent by occupying and cultivating it for a short time. Such a plan, providing for the liberal disposal of the public domain, would result in the rapid settlement of the country and the increase of the population. President Jackson in his message of December 4th, 1832, says, "It cannot be doubted that the speedy settlement of these lands constitutes the true interests of the republic. The wealth and strength of a country are its population, and the best part of that population are the cultivators of the soil. Independent farmers are everywhere the basis of society --- the true friends of liberty." "It seems to me", continued the measage, "to be our true policy that the public lands shall cease as soon as practicable to be a source of revenue."[1] This became the theme of many eloquent pleas for liberal land laws. The following sentence from a report of the Public Land Committee is a fair example. "Instead of viewing lands as squandered which are gratutitously bestowed or liberally sold to settlers and cultivators, they deem such lands as sold at a price above all value, a price which Congress cannot squander, a price which will consist of the heroic and patrotic population which the lands will sustain, which will be ready to contribute in men and

1 Public Lands, VIII: 330.

money whenever the voice of their country shall call for aid."[1]

Such a view necessarily meant the abandonment of the idea of using the lands as a source of revenue. This idea, although rapidly weakening, still exerted a tremendous influence on the land legislation of the period. During the early years of the debate over the measure for a reduction of the price of lands, it was forcibly argued, that the policy of using the lands for revenue, whould be abandoned, as it had proved a financial failure. Statistics were presented showing that in 1832 the total cost of the acquisition and management of the public domain amounted to $48,209,635, while the receipts reached but $37,273,713, leaving a deficit of $10,935,922.[2] In 1835 for the first time there was a credit of $967,321,[3] which by 1838 had increased to $24,164,332.[4] The argument was now changed and the claim was made that as all expenses were paid there was no longer a need for selling the lands at a high price.

Closely allied with this last argument was still another

1 Public Lands, VI: 480.
2 Public Lands, VI: 467.
3 Public Lands, VIII: 406.
4 Costs of Acquistion and Management of the Public Domain to September 30, 1828.

Indian Cessions,	$32,047,598
Treaty with France; principal and Interest,	23,529,353
Treaty with Spain; " " "	6,489,768
Payment to Georgia for Cessions,	1,250,000
Amount of Mississippi Stock,	1,832,375
Salaries and Expense of General Land Office,	1,126,609
Expense for maintaining various Land Offices,	3,227,939
Salaries for Registers and Receivers,	92,903
" " Surveyors and Clerks,	1,032,666
Surveys,	3,106,831
Total Cost of Acquisition and management,	73,736,047
Total receipts from sale of land,	97,900,379
Credit,	24,164,332

See Ex. Doc., 25th Cong. 3rd Sess. Vol. 4, Doc. No. 164, p. 13.

which was also changed to meet the varying conditions, namely, the relation between the payment of the national debt and the sale of the public lands. In an elaborate argument made in 1828, Benton urged that the lands should be reduced in price and sold in such a manner that the increased land sales would pay off the debt. He began by showing the existence of a vast conspiracy by which the price of land had been raised far above its actual worth in order that the proceeds from the land sales should not be sufficient to pay off the principal of the debt, but merely to pay a high rate of interest on the bonds held by speculators. The principal argument used to secure the land cessions, was the use of the land in the payment of the national debt, yet in no year had the land sales paid more than half the interest and seldom more than a fourth. The interest paid between 1789 and 1825 amounted to $136,308,035, while but $26,547,933 were received from land sales. Instead of diminishing, the debt had increased from seventy-six millions at the end of the Revolution to eighty millions in 1825. "I trust", said Benton, "that after fifty years experience and the loss of one hundred and thirty-six millions, we are brought to go to work and sell the land at what it is worth now and pay off the principal of the debt."[1] After the payment of the debt in 1835 it was argued that the lands were now released from all pledges and should be used to further the growth of the West.

In much the same manner the existence of the tariff was used as an argument favoring the reduction of the price of lands.

1 Cong. Debates, 1827-28, p. 723.

The people of the newer states, it was claimed, were doubly taxed. They paid for the land sold within their boundaries and in addition paid a part of the custom receipts through their purchases. This operated as a direct drain on the Western States, for the larger part of this money was expended in the East. The Compromise Tariff of 1833 did but little to change these conditions. Said Jackson in his message of that year, "While the burdens of the East are diminishing by the reduction of the duties upon imports it seems but equal justice that the chief burden of the West (the land sales), should be lightened in an equal degree at least."[1] The debates and reports of the period are filled with appeals to the sectional interests of the southern and western states against the eastern, urging them to unite to secure the passage of Benton's measure.[2]

Arguments Against Graduation

Such in brief, were the principal facts and arguments advanced in favor of the reduction and graduation of the price of lands. These facts, as a rule, were so well established and self-evident that but little attempt was made to disprove them. The effort of the opposition was to produce arguments showing that the evils which would result from the adoption of the principle greatly outweighed the supposed advantages. The argument was logically advanced by those opposed to graduation, that no change of the system was necessary, unless it was unjust in its operation or was needed to accelerate the growth of the western states. It was urged that the auction system with the minimum price at one dollar and twenty-five cents an acre was just. In

1 Public Lands, VIII: 330.
2 Ibid., VIII: 880.

proof the rapid increase of the land sales was cited. "It is incredible to suppose," states the Committee on Manufactures in 1832, "that the amount of the sales would have risen to so large a sum if the price had been unreasonably high."[1] It was admitted that there was a large amount of waste land, which, under the conditions then existent was not worth the maximum charge of one dollar and twenty-five cents an acre. It was insisted, however, that the existence of the millions of acres of unsold land was for the most part not a sign of its inferiority, but rather of the liberality of Congress in throwing open such vast tracts from which the settler could select his purchase. "Had the quantity thrown into the market been quadrupled the probability is", continues the report, "that there would not have been much more annually sold than actually has been," for the "power of emigration has been totally incompetent to absorb the immense bodies of waste lands offered in the markets." Nearly all of this land was intrinsically worth one dollar and twenty-five cents an acre, and with settlement and better means of communication would prove a great source of revenue. The value of the lands within the states and territories was estimated at $25,000,000, and at $1,363,589,691 for the entire federal domain. It was the duty of the government to conserve carefully the lands for future revenue. This argument was merely a repetition of the old familiar one that the lands should be considered as a source of revenue.

Not only was the system just, continued the report, but the proposed reduction of the price of lands was certain to be followed by disastrous consequences:

1 Public Lands, VI: 443.

First. The contention was made that the reduction would be unfair to the settlers who had paid a higher price for their land, as the value of all property would be lowered. This argument assumes, that the land would be sold for lower prices than the actual worth, for inferior lands at a lower price were no cheaper than superior soils at a high one. Even if the value of all lands were lowered the loss would rest most heavily upon the sellers and speculatore, while serving as a bounty to cultivators and purchasers. In the end the loss to the former classes would largely counteracted as all persons would have an equal opportunity to make purchases and secure the benefits of the reduced price.

Second. It was urged that a reduction in the price of lands would excite speculation and result in a monopoly of the public lands, which would retard the settlement of the West. Facts, however, prove that the presence of large quantities of cheap land did not necessarily result in speculation. Millions of acres of fertile bounty lands in Missouri, Illinois, Arkansas, and Michigan sold at prices ranging from five to fifty cents an acre.[1] The average price of the part sold for settlement was thirty cents an acre. Maine and Massachusetts for years sold land at prices ranging from three and one-half to sixty cents an acre, under laws expressly enacted to "promote the settlement of the country."[2] A further argument against the contention was the fact that the states which would suffer from the evils of speculation had all petitioned Congress for the reduction.

1 Faux, Journal, Thwaites, XII: 61; Fearon, Sketches of Amer., p. 259. These references are not used in the report.
2 Public Lands, VI: 482.

Third. Opponents of the principle of graduation urged that a reduction in the price of lands would be unjust to Ohio, Indiana, Illinois and Alabama, as it would lower the value of the donations made for education and internal improvement. The desire of these states manifested in their memorials is proof of the weakness of this claim.

Fourth. In reply to the argument advanced by those in favor of graduation, that the price of lands was a tax upon the western people, it was urged that the tax was paid by the eastern states and not by the western. This was undoubtedly true, but it assumed that the population of the West did not purchase land. It is probable that a considerable proportion of the sales arose from this source, and that an increasing number would purchase with a reduction of the price.

These were, in brief, the chief arguments advanced to prove that the operation of the land system needed no change, and that the evils certain to result from a reduction of the price of lands would outweigh the slight injustice of the existing system. The only other consideration which might make necessary a change in the land system was the necessity of accelerating western settlement. This was unnecessary, as facts showed that the population of the western states increased more rapidly than the rest of the Union. The population of the seven public land states increased eighty-five per cent between 1820 and 1830,[1] while the seventeen states containing no public lands increased but twenty-five per cent.[2]

1 The public land states were, Ohio, Illinois, Indiana, Missouri, Alabama, Mississippi and Louisiana.
2 Public Lands, VI: 449-50.

The rate of increase for the entire country was thirty-three per cent, while in thirteen of the eastern states it was but seventeen per cent. These facts demonstrated that no additional stimulus was needed through a further reduction of the price of lands. A report made by the Committee on Public Lands in discussing this argument said, "We have perused with deep regret the elaborate tables which have been constructed to show that the seven new states populate faster than the seventeen old ones. Such statements can have no other effect than to inflame the jealousy of the old states and to arouse within their bosoms the most invidious feelings against their younger sisters - - - but a few authentic facts will dispel the illusion and show that the new states have grown up not so much by the aid of the present system as in spite of it, that they owe their population not so much to the sales of the federal government as to the bounties of former sovereigns, the liberalities of some of the old states and the easy sales of individuals."[1] In Ohio but twenty-five per cent of her area had been sold by the federal government in 1830; in Indiana twenty-six per cent; in Illinois five and five-tenths per cent; in Missouri five per cent; in Alabama thirteen per cent; in Mississippi six and three-tenths per cent and in Louisiana one-tenth of one per cent.

Closely connected with this last was an argument against the reduction of the price of land which the people of the West found impossible to controvert, namely, that it would operate as a bounty to emigration and result in a depopulation of the eastern states. This contention had been urged in 1790. The interest in

1 public Lands, VI: 486.

the question was renewed by Secretary Rush of the Treasury Department, in his report for 1827. He advanced the claim that the public domain with its low prices was in reality a bounty on agriculture. Settlers were attracted from the East, the accumulation of capital was prevented, and manufactures were discouraged. In 1832 Congress received a memorial from the Tariff Convention of New York urging that the price of lands be raised, as the existing price resulted in an investment of capital in lands instead of in manufactures.[1] It was impossible to deny these facts and the only possible answer was that a country with the best of opportunities will never be depopulated by emigration; that men have a right to choose the work and country that offers the best advantages. The truth of this argument, however, was a direct contradiction of one of the earlier arguments. That was based upon the supposition that reduced prices of public lands would excite speculation and retard the settlement of the new states, this upon the supposition that the same reduction would excite emigration and too rapidly populate the new states at the expense of the older ones.

From an examination of the foregoing arguments for graduation it is evident that they were of such a nature as to appeal chiefly to the public land states. The proposed change benefited the settler by enabling him to secure adjoining tracts of land at a nominal rate. The poorer classes could purchase the waste and less fertile land for a sum within their reach, or secure a tract by occupying and cultivating it for a few years. To the capitalists

1 Public Lands, VI: 486.

and speculators it offered an opportunity to secure land at a reduced rate. Indeed Borton of Missouri said that the plan was originated and circulated among the people by the capitalists.[1] The rights and powers of the states were increased at the expense of the federal government by the increased sales and the ultimate cession of the lands. The measure failed to pass Congress because it did not receive the support of the central, eastern and older southern states. To them the change meant a direct loss in population and money with no corresponding gains to compensate for their loss.

1 Cong. Debates, IV: 151.

CESSION OF LANDS TO THE STATES.

Closely connected with the proposal for the graduation of the price of lands was the plan of ceding the public domain to the states within whose boundaries the land was situated. Nearly all the graduation bills contained a section providing that the lands which had been reduced to the minimum price and remained unsold for a ceratin period should be ceded to the states.[1] This was but one phase of the plan for disposing of the wast lands and involved no new problem. In 1827 however, a resolution was introduced in the Senate directing the Committee on Public Lands to inquire into the exedience of ceding to the states all the land within their limits.[2] This introduced the question in its broadest sense. Although the motion was easily defeated it was introduced by resolution or amendment almost annually, and was urged by several of the southern states.[3]

The entire proposal was primarily a political one arising from the states' rights ideas of the period. The principal argument advanced was political and rested on the supposed inequality between the eastern and western states due to the large federal holdings in the latter. It was argued that as the constitution guaranteed all states equality in their sovereign rights, the presence of the federal land in a state was unconstitutional.[4] This being true, Gov-

1 The bill introduced in the Senate in 1826 did not provide for the cession of waste lands to the states. -See Benton's Abridgement, VIII: 564.
2 Cong. Debates, 1827, p. 23. In 1826 Tazewell introduced a resolution for the cession of the waste lands but no action was taken on the same. - Annals, 1825-26, p. 781.
3 Public Lands, VI: 385, 614; Sen. Doc. 26th Cong. 1st Sess. Vol. 4, No. 192.
4 Cong. Debates, 1826, p. 735.

ernor Edwards of Illinois contended the land belonged to the states and not to the federal government.[1] This contention loses much of its force when it is remembered that the United States did not exercise any jurisdiction over the territory, and consequently did not interfere with the sovereignity of the state; but merely held the land as trustee, according to certain terms to which the states had agreed in their Enabling Acts.[2] It was further urged that the complicated machinery of the federal land offices operating within the borders of the new states was unjust as it extended the federal power and patronage and subjected the states to the danger of a "foreign and powerful influence".[3] So strong was this feeling that it was advocated in the presidental Message of 1832 in the following words; "It is desirable that the federal machinery be withdrawn from the states and that the right of the sale and the future disposition of it be surrendered to the states respectively in which it lies."[4] To cede the lands to the states would avoid all controversies and collisions which would otherwise result. It was further argued that precedent favored the cession of the land; that Congress had made extensive grants to various states for internal improvement and education, and in no case had constitutional scruples prevented such cessions.

Against these arguments, those who opposed the cession of the lands contended that it was a violation of the old compact with Virginia made on her cession of the lands to the federal government.[5] This provided that the lands should be considered a "common

1 Sen. Jour. of Ill., 1830-31, pp. 8-51.
2 Congressional Debates, 1837, p. 771, Speech by Webster.
3 Public Lands, VI: 480.
4 Public Lands, VIII: 330.
5 See page ____.

fund" for the use of all the states and not for the benefit of certain western states.[1] Not only was the cession of land a violation of the terms of the Acts of Cession but unfair to the eastern states which received no share of the returns. It was also a violation of the Constitution which placed the disposal of lands in the hands of Congress, a right which Webster ably contended could not be transferred to the states.[2] The validity of the cession of land to the states for various purposes was admitted, but it was shown that these grants had been made to increase the value of the residue, and hence were not a violation of the contract as the increased receipts benefited all the states.[3]

Besides the purely political arguments for cession, several others were advanced. It was contended "that the nature of the duties which attach to the primary disposition of the soil were essentially local and unfit for the exercise of the federal legislature", but could best be carried on by the states which understood their needs and could use the lands to further their interests.[4] This, however, meant an abandonment of the federal land system with its accurate boundaries and certain titles for one from which endless confusion was sure to arise. Collisions between the states and speculation would result from their competition for emigrants.[5] It was further argued that the cession of the lands would relieve the federal government from an unprofitable source of revenue, besides saving it from the administration of an agency which was becoming so

1 Public Lands, VI: 453.
2 Cong. Debates, 1837, p. 771.
3 Public Lands, VIII: 410.
4 Public Lands, VI: 480.
5 Ibid., VI: 441.

extended and complicated as to prevent its perfect control as one unit. The federal government would be left free to devote its attention to other matters.

In 1831 a new impetus was given to the question by the report of the Secretary of the Treasury, who urged that the public lands be ceded to the states upon payment of a fair price. The chief reason assigned was that the revenue from the land sales was no longer necessary, while the protection of domestic industries prevented the reduction of the tariff.[1] A counter report was made by the House Committee on public Lands,[2] which clearly proved the impractibility of fulfilling the suggestion. Valuing the lands at the nominal rate of thirty cents an acre would impose a debt upon the new states of $54,757,705, from which the annual interest charge at six per cent would reach $3,285,462, a sum greater than the annual average receipts from the land sales.[3] The payment of such a debt would be impossible and as the states were sovereign the government would be unable to compel its collection. The debt would tend to destroy the common interests of the whole union.[4]

As the years passed the cessions were urged by the states on various pretexts, although education and internal improvements were the most common.[5] In 1837 Calhoun introduced a proposal for the cession of thelands, which for the first time presented a plan containing few of the objections urged against the earlier measures. It provided that all the lands should be ceded to the states on condition of the annual payment of one-third the gross amount of the sales to the federal government. The same system of surveys was to

1 Public Lands, VI: 486.
2 Ibid, VI: 452.
3 Public Lands, VI: 452.
4 Public Lands, VI: 446.
5 Public Lands, VI: 395; VIII: 590.

be retained, but the price of lands was to be uniformly graduated at a rate provided for in the bill.[1] This plan, said Calhoun, would remove the lands from party contentions, save the central government from future trouble and at the same time weaken its patronage. The proposal was easily defeated.[7] It was subsequently introduced several times and although favored by several southern states it never received a vote sufficient to pass either the House or Senate.

These various schemes for cession were all primarily political measures arising from the desire of the public land states to strengthen their own power and weaken that of the federal government. The cession of the lands was in direct accord with the interests of the southern states. It envolved the disposal of the land in a manner best suited to the methods of production prevailing there. At the same time it reduced the surplus thus checking internal improvements with their tendency to weaken the bond uniting the South and West, while strengthening the connection between the East and West. Before the passage of the Compromise Tariff of 1833 it offered a means of continuing the high protective policy, but after the settlement of the tariff controversy this reason was no longer operative. The injustice of the plan to the eastern and older southern states, in connection with the obvious evils were sufficient to prevent its passage.

1 Cong. Debates, 1837, p. 681 et. sq.
2 The vote stood 7 to 28.

DISTRIBUTION

The "Tariff of Abominations" passed in 1828 represents the high water mark of protective legislation before the Civil War; yet the very success of the measure was a source of trouble to those interested in the high propective policy. The act led to the expression of nullification and the kindling of an intense opposition to protection in the South. At the same time, unfortunately for those favoring the act, the tariff receipts were rapidly leading to a surplus, the existence of which was inconsistent with the continuation of the protective policy. Some means of preventing the further accumulation of this surplus was necessary if the American System was to be continued. There were but two principal sources from which the federal income was secured, receipts from the tariff and from the land sales. As the maintenance of the former source of receipts was the end desired a reduction of the receipts from the land sales was the only other alternative. There were three possible plans of securing this desired end, one by a gradual reduction in the price of lands, a second by the retrocession of the lands to the states, and a third by a distribution of the proceeds from the land sales among all the states. The two former proposals were both sectional measures, benefiting the western states alone, and involving a direct loss to the eastern states; hence the impossibility of securing the enactment of either. The third plan provided a means of harmonizing the two opposing interests, and thus insured the passage of the act by Congress.

The plan of distribution appears to have been first discussed in Congress in 1829. On December 17th Mr. Hunt of Vermont introduced in the House a resolution providing for the distribution

of the proceeds from the land sales among the states for education and internal improvements. The resolution was debated for over a month when the question was referred to the Committee on Public Lands.[1] A report was made in the following year, but it did not bring on a debate.[2] In 1831 a resolution was offered in the Senate requesting the Committee on manufactures, of which Mr. Clay was chairman, to inquire into the expediency of distributing the proceeds of the lands among the states for a limited period.[3]

A bill was reported by Clay which provided that after December 31, 1832, the proceeds from the sales of the public lands were to be divided among all the states according to their respective federal representative population. The bill further provided that before this distribution should occur, twelve and a half per cent of the net proceeds of the sales within their limits were to be given to the States of Ohio, Indiana, Illinois, Alabama, Mississippi and Louisiana for objects of internal improvement and education.[4] Additional grants of land were to be made to these states for internal improvements, the total amount including past grants not to exceed five hundred thousand acres to each. In making these land grants the condition that the land should not be sold at prices lower than one dollar and twenty-five cents an acre was stipulated. As a further safeguard to the interests of the new states, a clause was inserted declaring that if the price of public lands should be raised the provisions of the act were immediately to become null

1 The vote stood 113 to 70.
2 Public Lands, VI: 163.
3 Cong. Debates, 1831-32, p. 638.
4 The use of the funds for purposes of colonization was desired by a minority of the committee and their use for that purpose was suggested in the report, but no mention of the subject is made in the bill introduced.

and void. The annual expense of the surveys was to be supplied from current revenue; unnecessary land offices were to be discontinued. The act was to remain in force for five years except in case of war, when the federal government was to receive the revenue.[1]

The Committee on public Lands was the body to which the resolution providing for distribution should have been referred.[2] A majority of its members were western men who did not favor the measure, and were certain to report adversely. Yet so plainly was the proposal a subject for the consideration of that Committee, that the bill reported by Clay was referred to them. About a month later they made a counter report providing for a system of graduation, but retaining the provision giving twelve and one-half per cent of the net proceeds to the new states, and increasing the amount to fifteen per cent.[3] "The bill providing for distribution", states the Committee on public Lands, "is inadmissible in principle and erroneous in its details." This was true, first, because it refused to lower the price of lands when the continuation of a high price was unnecessary for revenue. Instead, the purpose of the bill was to create a surplus for distribution among the states. The twelve and a half per cent and the grants of land for internal improvements were considered a bribe, by which the new states were offered one-eighth of their own money for the passage of the bill. "To accept this offer", adds the Committee, would "eclipse the folly of Esau and become a proverb in the annals of folly for those who have sold their birthright for a mess of pottage." In the second

1 public Lands, VI: 622.
2 Mr. Clay's biographer, Mr. Colton, states that the resolution was referred to the Committee on Manufacture in order to ruin Clay's prospects for the presidency in the western and new states.
3 public Lands, VI: 478.

place it was urged that the ratio of distribution was unjust to Georgia and Virginia. These states had ceded nearly all their lands to the federal government, while the others had retained large holdings, yet all shared equally, according to their population. Lastly it was claimed that the annual payment for the surveys from current revenue, in reality, created a deficit which it was necessary to supply from the customs receipts.

This report from the Committee on Public Lands did not prevent the passage of the original bill by the Senate.[1] It was favored by the eastern and central states, both because they received a share of the proceeds from the land sales, and because it afforded a means of continuing the protective tariff.[2] The bill also received the vote of a majority of the western states. Congressmen from these states favored graduation, but the impossibility of securing the agreement of the House to that proposal convinced them of the uselessness of continuing the struggle.[3] The bill for distribution with its special favors to the new states seemed to afford the next best opportunity, consequently the senators from all the western states but Missouri and Illinois voted for it. The

1 Cong. Debates, 1831-32, p. 1173. The vote stood 18-26. The bill did not pass the House. -Ibid., p. 1920.

2 Congress received communications from the Legislatures of Massachusetts, Pennsylvania, Rhode Island, Vermont, Kentucky, New Jersey, New Hamsphire and New York requesting Congress to pass the distribution bill. In many cases the legislatures instructed their Senators and representatives to vote for the measure. In several cases this was done by the Congressmen contrary to their own convictions. -See Public Lands, VI: 604,614, 654; VII: 626; VIII: 497, 609, 555, 657, 668.

3 Congress received petitions from Missouri, Ohio, Tennessee, Georgia and Alabama protesting against the passage of the distribution bill. See Ex. Doc. 21st Cong. 2nd Sess. Vol. 3, No. 145; Ex. Doc. 23rd Cong. 1st Sess. Vol. I, No. 44, and Vol. 3, No. 169; Ex. Doc. 24th Cong. 1st Sess. Vol. 4, No. 182; Sen. Doc. 26 Cong. 1st Sess. Vol. 3, No. 68.

opposition came chiefly from the southern states which were opposed to the measure not only because it meant a continuation of the propective policy, but because it envolved a strengthening of the federal power and patronage.[1]

In 1833 Clay's bill was again referred to the Committee on Public Lands, who returned it with an amendment providing for graduation. The original bill was once more passed, and this time the only opposition came from the southern states.[2] The concurrence of the House was secured on the last day of the session and it needed the immediate action of the president to make it a law. Jackson retained the bill and it failed to become a law.

On December 5, 1833, Jackson in a long and carefully written message stated his reasons for not signing the bill. His objections in the main were constitutional. He argued that the bonus of twelve and a half per cent paid to the western states was a violation of the early deeds of cession which provided that the land should be disposed of for the common benefit of the several states, "according to their respective and usual proportion in the general charge and expenditure." The chief objection to the bill was the unconstitutionality of granting money to states to be used for internal improvements within their boundaries.[3]

1 The suggested use of the proceeds for purposes of colonization of slaves undoubtedly arroused southern opposition. The southern newspapers of the period were filled with articles suggesting colonization as a possible method of ridding the country from the dangers of slavery, yet the use of lands for this purpose was seriously opposed by southern senators. -See Doc. Hist. Ind. Soc., II: 157-161; Liberty and Free Soil parties, p. 107; Annals, 1824-25, pp. 628,696.
2 Cong. Debates, 1832-33, p. 235.
3 Public Lands, VI: 620.

The veto of president Jackson put a temporary stop to the proposal for distribution. Clay introduced the bill in 1834, but it was not until 1835 that it passed the Senate. The rapid increase of the land sales in that year, the payment of the national debt, the size of the surplus, and the impossibility of reducing the tariff of 1833 without renewing the whole controversy, made the necessity of passing the bill greater than before.[1] In 1836 the measure was before both the Senate and House, but did not pass in either. This was chiefly because the excessive land sales of the period attracted the attention of Congress to the desirability of providing some means of limiting the sales to actual settlers.[2] In order to secure the favorable vote of the western states, those in favor of distribution in 1841, took advantage of this tendency and introduced a bill combining distribution and preemption. This combination was especially fortunate for the indebtedness of the states and the need for some additional source of revenue made distribution popular.[3] The constitutionality of distribution was carefully examined, and the conclusion reached that the measure was constitutional. It was decided that the general powers conferred upon Congress by the Constitution were superior to any restriction which might have arisen from the treaty making power used in the acts of cession.[4]

The measure passed both houses and became a law September 4, 1841.[5] It was very similar to the bill introduced by Clay in

1 Public Lands, VIII: 408.
2 Benton's, Abridgement, XIII: 424.
3 Labor, Cyclopaedie of Political Science, III: 475.
4 Public Lands, VIII: 408.
5 Statutes at Large, Sept. 4, 1832, Ch. XVI.

1832, with the exception that the western states were to receive ten per cent of the net proceeds instead of twelve and a half as proposed in the earlier measure. The act remained in force one year, when the need of the government for revenue necessitated its repeal. The entire plan arose from the political necessities of the high protectionalists and the need for preventing the increase of the surplus. When these motives were no longer operative the incentive for the retention of the law ceased. The act was a political measure and did not form an integral part of the land system.

PREEMPTION

Of all the land legislation enacted by Congress the preemption laws were most in accord with the needs and desires of actual settlers. The other proposals for the disposal of the public domain were influenced to a greater or less extent by political motives, but preemption laws were of slow development arising from the necessity of conditions and the demands of the pioneers. Said Senator Scott of Indiana in 1841, "I consider the preemption law merely declaratory of the custom or common-law of settlers."[1] Consequently preemption is an intrinsic part of the federal land system, and the only real contribution made between 1820 and 1841.

Preemption in its simplest form is a privilege granted to settlers to purchase at the minimum price the tract of land which they had cultivated. It is not a free grant of land, but amounts simply to the exclusion of the competition which occured under the auction system. Says Donalson, "Preemption is a premium in favor of a condition for making permanent settlement and a home. It is a preference for actual tilling and residing upon a piece of land."[2] It necessarily involved the trespass and location upon a portion of the public domain, which was perhaps not purchased until years later. In the meantime the occupant had the free use of the land, with the right to purchase the tract at the minimum price when the land was opened for sale. The vigorous frontiersman was thus enabled to secure the most fertile tracts of land available, while the government practically gave him the means of paying for his purchase, by allow-

1 Amer. Hist. Ass. 1893, p. 218.
2 Donaldson, p. 214.

ing him the free use of the land for a certain indefinite period depending upon the length of time before the land was offered for sale.

Preemption was advocated by settlers as a metited right, chiefly because of the delay in opening the land for sale. This resulted in part from the nature of the surveys, the execution of which was necessarily slow because of their exactness, and the vast area which they covered. During the early period of the land sales this delay undoubtedly resulted in a great deal of hardship, but by 1830 the Secretary of the Treasury reported that the surveys in Illinois, Missouri, Arkansas and Alabama had "progressed as fast as public sentiment demands."[1] This statement seems doubtful, especially in reference to the new Indian lands which were ceded to the government. Petitions were frequently received requesting that such land be immediately surveyed,[2] and it was often found necessary to station soldiers in order to prevent the settlers from taking unlawful possession.[3] The settlement of the private land claims arising from the foreign titles was another troublesome cause of delay, as no public sales could be safely made until these claims were confirmed or rejected.[4]

Yet without these delays it was practically impossible to confine settlement to that part of the public domain which was ready for sale. Secretary of War Crawford explained the situation in the following words, "Experience has sufficiently proven that our population will spread over every cession, however extensive, before

1 Public Lands, VI: 191.
2 Ibid., VI: 607; VIII: 928.
3 Whittlesey, Wisconsin in 1832 -- Wisc. Hist. Soc. Rept. I: 181.
4 The existence of the military bounty lands resulted in a great deal of squatting, as the land was valuable and purchase was frequently impossible as the owner was unknown.

there is any regular and steady demand for settlement."[1] This was a natural consequence, for the average settler preferred to locate on a good tract of unsurveyed land, in the hope of securing a pre-emption rather than buy inferior land at the minimum price or pay a premium for the better land at the auction sale.

Squatters located on bothe the surveyed and unsurveyed land and it is probable that in 1830 they numbered at least one hundred thousand. A special investigation made in 1828 shows that there were 140,000 free taxable inhabitants in the public land states who were not free-holders.[2] The following table, prepared for five western states, shows clearly the relation between the federal land sales and the inhabitants in 1830.[3]

State	No. of white males over 20	Estimated No. of families	No. of 160 acre tracts sold.	No. of persons not freeholders in 1828.
Indiana	66,888	60,193	36,350	13,485
Illinois	32,667	27,621	13,543	9,220
Missouri	25,149	24,641	12,219	10,118
Mississippi	23,789	23,950	9,976	3,505
Alabama	145,830	54,302	2,154	39,368

From this table it appears that but twenty-five per cent of all the males over twenty years of age could have been in possession of quarter sections of land purchased from the government, while only thirty-eight per cent of the families could have been in pos-

1 American State Papers, Indian Affairs, II: 99.
2 Cong. Debates, 1830, p. 406.
3 Column one, census for 1830; Column two secured by dividing the population by the average number in a family, 5.7; Column three worked out from Public Lands, VI: 604; Column four, Congressional Debates, 1830, p. 406.

session of such tracts. Considering the large proportion of the population engaged in agriculture and the fact that many owned tracts larger than one hundred and sixty acres, at the same time making every allowance for land secured by foreign grants, it is likely that twenty per cent of the families were squatters. Mr. McRoberts stated in Congress that four counties in Illinois were organized upon unsurveyed lands, and that conditions were nearly as bad in other states.[1] The truth of this statement is strengthened by a petition addressed to Congress in 1837 by citizens in northern Illinois; they reported that villages were located, and schools and churches established on unsurveyed lands.[2]

These men were all violators of the law, for Congress from the beginning had passed acts prohibiting unauthorized settlement on the public domain. The last of these laws was passed in 1807 and remained in force until 1841 in spite of the efforts of the western states to bring about its repeal.[3] Reports were made by various Committees on Public Lands, in 1796, 1801, 1812, 1824, and 1830 refusing to grant preemption and explaining their action. In the main the objections to preemption were based on the fact that it envolved a loss of revenue, "for settlers would locate upon and improve the most valuable tracts of land which they would secure at the minimum price." This would deter other purchasers from buying and "might eventually lead to an abandonment of the existing land system in exchange for one wholly incompatible with the idea of deriving revenue from the sale of the public lands." Preemption

1 Benton's Abridgement, XIV: 330.
2 Ex. Doc. 1836-37, IV, No. 151.
3 Public Lands, III: 719; VI: 186; Congressional Debates, 1836-37, p. 762; Benton's Abridgement, XIV: 211.

rights would induce undue emigration from the East and be unjust to the older states. Trouble with the Indians would be an almost certain consequence of location on the frontier. These disadvantages would more than overbalance the increased value of the surrounding land resulting from the improvements and cultivation.[1]

Although Congress persistently refused to legalize intrusions upon the public domain the settlers found means to evade the operation of the law and secure the best locations without fear of serious loss. One way in which this was accomplished was by the so-called "sale of improvements." By a long established custom, persons who settled upon the public lands were enabled to sell their improvements to the purchaser at a fair price. This was almost a universal practice in the new states, and gave the squatter a fair compensation for his work.[2] If, however, the tract of land was satisfactory, and he possessed sufficient capital to pay for it, public opinion gave the squatter a kind of popular title with the right to purchase the land at the minimum price. A stranger bidding on such a tract was certain of incurring the odium of the community, with the possibility of a beating or a coat of tar and feathers.[3] Indeed the settlers sustained each other against the speculator by a public sentiment equivalent to law. Says one writer; "If a speculator should bid on a settler's farm he was knocked down and dragged out of the office. If the striker was prosecuted and fined the settlers paid the expenses by common consent among themselves. In order for the fine to be assessed it was necessary for the case to be

1 Benton's Abridgment, XIV: 211.
2 Hall, Notes on the Western States, p. 180.
3 Latrobe, The Rambler, II: 230; Public Lands, I: 287.

brought before a jury selected from among the settlers who seldom brought in a verdict of guilty as it was considered a case of self defense."[1] This instance, however, may be considered exceptional. A special report made by the Commissioner of the Land Office in 1838 states, that as a rule no open force was used. This was probably because use of force was unnecessary. The Register at Dubuque, Iowa reported that one who bid against any settler does so at the risk of his life. "Whenever", he continues, "a tract of land was offered it was only necessary to say 'settler' and it was struck at the minimum price per acre. There was not a single instance of a second bid being made on any tract of land during the sales at this place." He concludes with the opinion that only the presence of armed force can prevent this condition of affairs.[2]

In a number of cases in the northern states, particularly in Illinois, Wisconsin and Iows, local claim societies were organized with a constitution and officers. The society endeavored to secure to the actual settler the right to enter his land and pay for it at the minimum price and to protect him against speculators. For this purpose a township bidder was elected whose duty it was to bid off the land for the actual settler.[3] In nearly all cases it was customary for the squatters to hold a mass meeting prior to the sales, at which definite arrangements were made for bidding in the land.

Not only did the settlers evade the operation of the law,

1 A Methodist Circuit Rider's Tour, Wisc. Hist. Soc. Pub. XV: 276.
2 Ex. Doc. 25th Cong. 3rd Sess., Vol. VI, No. 241. In Alabama squatters on land which was about to be sold surrounded a house at midnight and compelled the landlord to drive away prospective purchasers. -See Public Lands, VI: 187-8.
3 Ibid., B. F. Shampaugh, Frontier Land Clubs or Claim Associations, Amer. Hist. Ass. 1900, part I: 71; Wisc. Hist. Soc. VI: 361.

but, as usual, Congress failed to do in practice what it claimed in theory, and it became the custom to grant preemption for a limited period in every region where for special reasons the land sales were delayed. These laws were local in application and limited in time, and it was not until 1830 that a preemption law of a more general nature was passed. Many of these laws were enacted to allow settlers already living in territory acquired by the government to retain their land and pay for the same at the minimum price, subject to a reasonable limitation as to quantity.[1] As these laws were all limited in time to few years, many of the settlers failed to take advantage of the provisions, and supplemental acts were passed from time to time extending the period. The settlement of the private claims in the territory acquired occupied many years and as in the meantime no land was offered for sale, this also made necessary the enactment of preemption laws, limited in time but frequently renewed by supplemental acts. The third general class of preemption laws was a part of the relief granted to those who had purchased land on credit. Purchasers were enabled to preempt land which they had purchased and still retain by a payment of the minimum price in addition to what had already been paid, provided the total did not exceed $4.50 per acre.[2]

Beside these general causes for the enactment of preemption laws, a number of special acts were passed. Indeed the first preemption law passed granted the privilege to settlers in Ohio who had purchased tracts of lands from Symmes to which he had no title.[3]

1 Public Lands, III: 719.
2 See Statutes at Large, March 31, 1830, Ch. 48; Feb. 25, 1831, Ch. 34.
3 Act of March 2, 1799, Ch. 34; Act of March 3, 1801, Ch. 23; Act of May 1, 1802, Ch. 44; Act of March 3, 1803, Ch. 21.

preemption rights were granted for the erection of a saw or grist mill,[1] for the location of seats of justice,[2] and to individual persons or communities as a reward for service or the encouragement of some special industry.[3]

Prior to 1841 Congress passed in all thirty-one preemption laws, which were local in their application.[4] In nearly all cases they were limited to the boundaries of particular states and territories, although in one case the law included three states.[5] The laws were retro-active, extending the preemption rights for a limited time to settlers who were living in the state and cultivating a tract of land prior to some fixed date, never later than the enactment of the law.[6]

1 Act of May 10, 1800, Ch. 55, Sec. 15.
2 Act of May 28, 1830.
3 Act of May 1, 1802.
4 Ex. Doc. 25th Cong. 2nd. Sess. No. 303, p. 2-7.
5 Act of April 22, 1826, The preemption laws of May 10, 1800; May 31, 1830 and Feb. 25, 1831, applied to all the public land states.
6 The following is a list of these local preemption laws.
Mississippi, Act of March 3, 1803, Ch. 27, sec. 3; Act of Apr. 21, 1806, Ch. 39, sec. 2, 7; Act of Mar. 3, 1807, Ch. 36, Sec. 8; Act of Apr. 22, 1826, Ch. 28, sec. 5; Act of May 28, 1830, Ch. 146, sec. 3.
Tennessee, Act of Apr. 18, 1806, Ch. 31.
Ohio, Act of Apr. 21, 1806, Ch. 39; Act of May 15, 1826, Ch. 135.
Michigan, Act of Apr. 25, 1808, Ch. 67, sec. 3.
Louisiana, Act of Feb. 15, 1811, Ch. 14, sec. 5; Act of Apr. 29, 1816, Ch. 162; Act of Mar. 3, 1819, Ch. 86, sec. 4; Act of June 15, 1832, Ch. 140; Act of June 28, 1834, Ch. 125; Act of Feb. 24, 1835, Ch. 24.
Illinois, Act of Feb. 5, 1813, Ch. 20; Act of Apr. 26, 1816, Ch. 162; Act of Apr. 16, 1814, Ch. 61, sec. 4; Act of Feb. 27, 1815, Ch. 64, sec. 3, 4.
Missouri, Act of Apr. 12, 1814, Ch. 52, sec. 5; Act of Mar. 3, 1819, Ch. 86, sec. 2, 3; Act of Apr. 29, 1816, Ch. 162; Act of July 9, 1832, Ch. 180, sec. 3.
Arkansas, Act of May 26, 1824, Ch. 154.
Alabama, Act of Apr. 22, 1826, Ch. 28.
Florida, Act of Apr. 22, 1826, Ch. 28.

As time passed Congress began gradually to adopt the point of view of the squatters. For, although violators of the law, they were men of enterprise whose labors did much to turn the wild lands into valuable farms. With the increase of the nation's wealth, so that the revenue from land was no longer needed to support the government, the transition of the squatters from law breakers to public benefactors followed as a natural consequence. The change was a gradual one, and the idea of revenue was strong enough in 1820 to prevent the enactment of a general preemption law, although western representatives made a determined effort to secure such an act.[1] Congress preferred to retain the old principla and made exemptions only when necessary.[2]

The first preemption law which was general in its application was passed May 29, 1830. It provided that all settlers in possession of land in 1829, and cultivating the same at the time of the enactment of the law, were entitled to any part not exceeding one hundred and sixty acres.[3] In case two or more persons located on the same tract, each retained his improvements, and was given a certificate allowing him to locate the remainder of his preemption right on other land in the district. Settlers were given six months in which to pay for their land and to present to the Receiver satisfactory proof of occupation and cultivation.[4]

1 The law proposed to grant preemption rights on one hundred and sixty acre tracts, up to two weeks before the commencement of land sales in the district.
2 Bothe the House and Sennate Committee on Public Lands regularly reported against a general preemption law. -See Public Lands, III: 719; IV: 468; VI: 186.
3 The land could be divided only according to legal subdivisions, the smallest tract being forty acres. -See Statutes at Large, May 29, 1830, Ch.208.
4 Public Lands, VII: 636; Act of April, 5, 1830.

In 1832 a supplemental act was passed extending the benefits of the law to settlers who had been unable to take advantage of the provisions of the earlier act, either because the surveys were not complete, the land unattached to some district, or reserved from sale as a result of some dispute.[1] The benefits of this act were confined to one year after the completion of the surveys. Two years later the law was revived and extended to those who had cultivated land in 1833.[2] The use of the term "cultivation" was defined to mean clearing the ground, while "occupation" necessitated the erection of a dwelling house.[3] Neither the extent of the land cleared nor the size of the house were stipulated.

Under requirements no better defined than the above it was impossible to prevent fraud. Cultivation frequently consisted in plowing a furrow around a furrow around a field,[4] or a small garden surrounded by a three cornered rail fence, with a little grain sown in the center.[5] The most frequent case of frauds was the use of the so-called "floats", or certificates granted to settlers when several were located on the same tract. These were made transferable by an act of 1832, and had the effect of placing a premium on deceit. The Commissioner of the Land Office reported in 1835 that people living five miles apart swore to living on the same tract and secured the floats. By means of false oaths speculators used

1 Statutes at Large, July 14, 1832, Ch. 246. In the same year an act was passed giving settlers the right of preemption on eighty acres of land, for six months after the passage of the law. -See Statutes at Large, April, 5, 1832, Ch. 65. In 1833 this act was extended for a year. -See Statutes at Large, Mar. 2, 1833, Ch. 92.
2 Statutes at Large, June, 19, 1834, Ch. 54.
3 Public Lands, VIII: 642.
4 Cong. Debates, 1837, p. 769.
5 Ibid., 657; Public Lands, VIII: 610.

the worst characters of the country to secure floats, purchased them for a trifle and located them on the best land which they were thus enabled to secure at the minimum price. Indeed it is stated that honest citizens did not appear to know how to secure these floats.[1] Their most extensive use occurred in Louisiana, where between 1830 and 1834, 19,864 acres were entered by that means.[2] The loss from these preemption frauds were so serious that the Commissioner of the land Office in 1835 reported that "the preemption privilege may be considered little else than a mere benevolence, enabling the adventurer to appropriate to himself the choicest lands, most valuable, mill sites, and locations for towns at a vast cost to the public;" which he estimates at three million dollars for the year 1835.[3]

The above estimate is far too large and the entire loss from the operation of the preemption laws down to 1836 amounted to only $143,259.[4] The average price of all land sold at this period was only six cents above the minimum paid under preemption. As the aggregate amount of land purchased under the various preemption laws of 1830, 1832, 1833, and 1834 amounted to 2,371,808 acres, the actual loss from the operation of these laws did not exceed $142,308,[5] while the loss resulting from the purchases under all preemption laws passed prior to June 22, 1838 was but $207,126.[6]

Facts like these showing the slight loss which had resulted from the enactment of preemption, did much to quiet the fears of

1 Public Lands, VIII: 443.
2 Ibid., VIII: 610.
3 Ibid., VIII: 441.
4 Ibid., VIII: 883.
5 Ex. Doc. 25th Cong. 2nd Sess. Vol. IX: No. 303.
6 Ex. Doc. 26th Cong. 2nd Sess. Vol. II: No. 78, p. 20.

eastern Congressmen and secure the passage of a permanent preemption law, which was not limited to a period of a few years. In addition, beginning in 1830 Congress was annually deluged with a flood of petitions and memorials requesting preemption. The legislatures of every western state but Ohio instructed their Congressmen to vote for preemption.[1] Illinois, Mississippi, Alabama, Louisiana and Arkansas were the most active in their agitation for the measure. In several cases citizens sent in petitions urging Congress to enact a preemption law.[2]

As a result of these petitions the House Committee on Public Lands in 1836 for the first time reported a bill providing for a permanent preemption law.[3] The following year a similiar report was made by the Senate Committee.[4] The land speculations of 1835, 1836, and 1839 gave a powerful impetus to the movement for preemption.[5] The necessity of preventing the monopoly of land in the hands of the wealthy led in 1837 to the introduction of a bill in the Senate restricting the sales to actual settlers in small quantities, with preemption rights.[6] The injustice of this to other classes was pointed out and after an extended debate the bill was finally recommitted.[7] The bill was amended by the Committee, and further changes were made by both the Senate and House, so that it lost nearly all its original features. The act as passed in 1838

1 These petitions may be found by consulting the following references: Public Lands, VI: 33, 249, 319, 384, 560, 608, 609, 634, 658; VII: 622; VIII: 244, 383, 434, 514; Ex. Doc. 25th Cong. 2nd Sess. Vol. II, No. 34.
2 Ex. Doc. 1836-37, Vol. 4, No. 151.
3 Public Lands, VIII: 448.
4 Repts. of Com. 24 Cong. 2nd Sess., Vol. I, No. 53.
5 Public Lands, VIII: 877.
6 Cong. Debates, 1837, p. 424.
7 Ibid., p. 681.

was little different from the earlier laws.[1] It provided that all settlers who were heads of families and all persons over twenty-one years who were residing on land for four months prior to the passage of the law were entitled to all the rights provided by the preemption law of May 29, 1830. Two years were allowed to file on the land and pay for the same. Preemption rights were not extended to those who had located upon land before the Indian title was extinguished. The issue of floats was abolished and the settler was required to swear that the land was for his personal use. The penalty for perjury was the loss of the land and all payments made.

This act was only a temporary measure and did not satisfy the people of the West. Western Congressmen looked forward to the increased representation after the census of 1840, when they determined to make a decided stand for a permanent preemption law. The admission of several territories promised to strengthen the power of the West in the Senate. Preemption was regularly urged by Van Buren in his messages to Congress. In 1839 he says the passage of the preemption act of 1838, "has been attended with the happiest circumstances in securing improvements to the industrious; and it has also to a very gratifying extent been exempt from the frauds of previous preemption laws, it has at the same time, as was anticipated, contributed liberally during the present year to the receipts of the Treasury."[2] The movement for preemption was strength-

1 Statutes at Large, June 22, 1838, Ch. 119.
2 Benton's Abridgement, XIV: 188. The following table gives the amount of land sold under preemption laws.
Total amount sold under preemption prior to June 22, 1838, 3,452,111 acres.
Total amount sold under preemption law of June 22, 1838, 680,997 acres.

ened by the agitation of organized labor. With the bad crops and hard times accompaning the crisis of 1837 laboring men realized the importance of the public lands.[1] They decided that the failure of their strikes, and their inability to secure higher wages, resulted from an over supply ov laborers, who were prevented from moving to the west by the monopoly of land by speculators. Conventions were held and a determined effort was made to secure the enactment of liberal land laws.[2]

In view of these conditions a final effort to secure a permanent preemption law was begun in 1840. The Democrats were in favor of the measure, while the Whigs in their election of Harrison had practically pledged themselves to secure the law. "The Whigs", says Benton, "have seen the error of their way and have become foremost supporters of the policy they had opposed. Now the log cabin, the poor man and preemption go together, and he that loves one must love the other. The triple affections go together, and in this affection the federalist of 1840 have shown themselves most deeply immersed."[3] In response to the resolution of Indiana, that preemption rights be granted to settlers, who erect a log cabin and

(Continued) Total amount sold under all preemption laws prior to June 1, 1840, 4,161,978 acres.

The amount by states, under all Acts:

Ohio	30,997 acres	Louisiana	857,294 acres.
Indiana	159,558 "	Michigan	47,622 "
Illinois	526,532 "	Arkansas	338,068 "
Missouri	449,667 "	Wisconsin	106,876 "
Alabama	1,107,607 "	Florida	87,641 "
Mississippi	337,999 "	Iowa	112,113 "

See Ex. Doc. 26th Cong. 2nd Sess. Vol. II, No. 78, p. 20.

1 Yale Review, I: 92.
2 Doc. Hist. Amer. Ind. Soc. VI: 30, 33, 35, 46.
3 Globe 1840, p. 14.

dwell upon and cultivate a tract of land, a bill embodying those points was presented to the Senate.[1] The bill was debated for some time and an attempt was made to amend it so as to include distribution of the proceeds; this was defeated; but it was found impossible to pass the measure. A few months later a bill was introduced in the House combining distribution with an almost identical provision for preemption. Considerable debate was arroused over the question of extending privilege to aliens, but the bill was passed by both Houses and became a law September 4, 1841.[2]

The act as finally passed was similar in its general form to the Act of 1838. It was, however, permanent and provided that the head of a family, widow, or single man over twenty-one, who was a citizen, or who has declared his intention of becoming one, and who "has mad or shall make a settlement on the Public Lands" was entitled to preemption. The right was limited to those who had never used the privilege and who did not possess over three hundred and twenty acres of land. A person wishing to take advantage of the law, filed with the Register a description of the land and a statement of his intention to purchase. The law provided that the settler should "inhabit and improve" the land and "erect a dwelling." One year was given from the date of filing to complete all requirements and pay for the land. The benefits of the act were confined to those who had settled upon surveyed land, but two years later it was extended to unsurveyed land.[2]

1 Sen.Doc. 26th Cong. 2nd Sess. Vol. II, No. 54.
2 Statutes at Large, September 14, 1841, Ch. 16.
3 Donaldson, p. 214.

With the passage of this law the long struggle of the settler for preemption came to a close. After fifty-six years of experience in various methods of selling or otherwise disposing of the public domain, the early idea of sales for revenue was abandoned and a plan of disposition for homes was substituted.

Chapter VII.

Summary and Conclusions.

In the preceding study of the public domain, the most striking feature is the gradual evolution of the public land system. Its history does not reveal scientific management, with some definite purpose in view, as is the case in Europe. Instead the land policy shows a development with changes only when conditions compelled Congress to pass laws to meet conditions. In part this may be due to the nature of our representative government which responds readily to the needs of the hour, but this only partially explains the legislation. In many cases the laws were not passed in the interests of those most affected by the land system. Congress started out with a definite policy which it was gradually forced to change, not so much by popular demand, as the failure of the existing law to meet the requirements of Congress. With altered conditions, in time, a change in the system of land disposal followed. After years of experience and experiment the land policy finally adopted was vastly different in purpose from the first land legislation.

The idea of securing revenue from the disposal of the public domain was the dominating factor in the land legislation down to 1820, and its influence reached to a much later period. This may be partly explained by the financial distress of the government and the necessity for some additional source of income. At the outbreak of the Revolution the colonies found themselves without money or credit, yet few considered the western lands as a possible source of aid. The bounty acts and the debate over the land cessions, however, directed the attention of Congress to the

western territory and pledged its disposal for purposes of revenue.

The first law providing for the sale of western land was passed by Congress in 1785. While the general purpose of the act was to secure an income from the land sales, the details were largely the resultant of the conflicting interests of the southern and the northern states. The surface of the former region, the methods of production, and the colonial land grants had accustomed the inhabitants of the southern states to a system of indiscriminate location which would enable them to secure the most fertile tracts of land. On the other hand, the northern settlers were used to a compact settlement, best secured by the sale of land in townships. Congress finally adopted the latter system as it provided certain titles and reliable records; and the act wisely provided for a system of rectangular surveys.

The law failed in the purpose of securing revenue. This was chiefly due to the dissatisfaction of the western settlers, a majority of whom came from the southern states and were used to the liberal system of land disposal existing there. Further the act of 1785 was not suited to the needs of the pioneer as he rarely possessed sufficient capital to purchase the large tracts offered. Consequently few of them chose to locate on the public domain, preferring to purchase under the more liberal state laws of Kentucky or Tennessee.

The poor success of the first law required a change, not so much to satisfy the western settlers, as because Congress needed the revenue. The disadvantages of the southern system of indiscriminate location was so obvious that Congress did not seriously consider an adoption of that plan. Instead, a contest arose

between the representatives of the eastern states and those from the western and frontier regions. Their interests in nearly all cases were opposed. The former were jealous of the growing west, and did not desire the emigration of their population. The western settlers desired cheap land and small tracts, with preemption rights. As the east was in the control of Congress it was natural that the resulting legislation should be enacted in their interests. The Act of 1796 raised the price of western land to two dollars an acre, and made but few concessions to the residents in the west. It proved little more successful than the earlier law of 1785. Yet this very fact in connection with the increase of western power in Congress led to the more liberal Act of 1800.

In passing this law Congress, for the first time, provided a measure sufficiently liberal to attract settlers to locate upon the public domain. The provision most instrumental in affecting this end was the five year credit offered. Those with insufficient funds to pay for the land secured possession by paying one instalment. Many took advantage of this opportunity and the sales rapidly increased, especially during the prosperous period from 1800 to 1806. With the hard times following the Embargo Act of 1807, down to the War of 1812, the land debtors found themselves unable to complete their payments and some relief legislation was necessary. A number of these special acts were passed from year to year as necessity demanded. With the return of prosperous times after 1816 the same policy was continued. At first sight this seems unjust, but a careful analysis of western conditions shows that poor markets, low prices, expensive transportation, and

scarcity of money made it a difficult task for the average settler to pay for his land from the produce raised, and justifies the relief legislation passed by Congress. Finally in 1820 after the disastrous speculation of the preceding years, Congress passed an Act repealing the credit system. In a way this seems a reaction against western interests, yet this effect was largely contracted by lowering the price of land from two dollars to one dollar and a quarter an acre and at the same time reducing the minimum sized tracts of land which could be purchased from one hundred and sixty to eighty acres.

During the succeeding twenty years the existence of the public domain came to play a more and more important part, not only in deciding the land policy but in influencing the general conditions of production and the public issues of the country at large. The cheap fertile land kept wages high and led to a system of extensive cultivation which was nearly land butchery. The influence of the public domain is best seen in the South where it made possible the employment of slave labor in the exclusive cultivation of some staple, like cotton. For such a system of production cheap fertile land was a necessity and this was provided by the public lands. A natural consequence of these conditions was the union of the newer states and the South in insisting upon a liberal policy for the disposal of the public domain. In this they were opposed by the manufacturing interests of the East which desired a high protective tariff. Manufactures necessitated an adequate labor supply, while the growth of the surplus tended to destroy the excuse for a protective tariff. Both of these facts made the East opposed to liberal land legislation, for such a policy would lessen

their labor supply while the increased land sales might create a surplus. A part of the socalled American system by which the East hoped to continue the protective policy was the use of the receipts from the land sales in internal improvements. Better transportation facilities would enable the western states to take advantage of the Eastern markets, and win their support for the tariff. The System, however, finally broke down for two principal reasons: first, because it required the use of lands for revenue, while the western settlers were united in their demand for cheap land; and second, because it received the opposition of the southern states.

Considering these facts it is natural that the land legislation of this period should be largely influenced by political considerations. The reports of the committees on public lands cease to be the reliable documents that they were during the earlier years and are largely colored by the interests of the majority of the committee. Questions of the tariff, the surplus, state rights, or internal improvements are involved in nearly every proposed change. Throughout the entire period, however, the gradually increasing liberality of Congress can be seen. This is explained by two principal facts: the increase of the western power in Congress, and the growing wealth of the nation which no longer required the public lands as a source of revenue.

In all, four principal proposals for the disposal of the public domain were discussed between 1820 and 1841. They were, graduation, cession, distribution, and preemption. The plan for graduating the price of lands in proportion to the length of time they had been exposed for sale was based on a sound economic basis.

Yet it is probable that the political questions arising from the demand of the states for the control of the unsold portions of the public domain were the principal reason for their urging the passage of the measure. This was certainly the case with the proposed retrocession of the lands to the states. Indeed the proposal was introduced for purely political reasons. Both of these measures were sectional and the passage of either benefited the West and involved a loss to the eastern states. Consequently, neither was passed during the period covered by this study. Instead Congress, in 1841, passed a compromise measure providing for the distribution of the receipts from the land sales among all the states. The act proved unsatisfactory, and was repealed after a few months. Only one law was passed during this period which forms an integral part of the land policy -- preemption. This developed as the result of the experience of the land office with other systems, and from the demands of actual settlers. The passage of the permanent preemption law in 1841 marks the first decisive departure from the policy of using the lands as a source of income. After more than fifty years of experience Congress passed a law providing for homes, rather than federal revenue.

VITA.

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